

# The NATIONAL UNDERWRITER



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THURSDAY, APRIL 18, 1946



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## Give Details for Hemispheric Rally at N. Y. May 14-16

**Jesse Randall Is Keynote—  
Huebner Featured—Win-  
ter Banquet Toastmaster**

John A. Diemand, chairman of the committee on arrangements for the Hemispheric Insurance Conference to be held May 14-16 at New York, has released the preliminary program.

Jesse W. Randall, president Travelers and chairman of the host committee for the conference, will deliver the keynote address at the opening session the morning of May 14, on "Insurance—The Symbol of Private Enterprise." Mr. Randall will also act as chairman of the



S. S. Huebner



Jesse Randall

morning session with the head of a visiting delegation presiding with him as co-chairman.

The address of welcome on behalf of the U. S. Chamber of Commerce and Inter-American Council of Commerce and Production, who are sponsoring the conference, will be made by W. K. Jackson, United Fruit Co., who will be elected president of the chamber May 2. Mayor O'Dwyer of New York City will welcome the delegates.

### Address by Dr. Huebner

Dr. S. S. Huebner, professor of insurance at the commerce school of University of Pennsylvania, will address the luncheon session on "A Half Century of Insurance Progress."

The afternoon session will develop the idea of the necessity for insurance executives in all countries to think in international terms in order that they may keep insurance coverages, rules and practices abreast of a rapidly changing need of international travel and commerce. As a background for the insurance executives, William A. Patterson, president United Air Lines, will speak on "Aviation's Part in Bringing Closer International Relationships." He will be followed by Wilbert Ward, vice-president of National City Bank, who will give a picture of forthcoming expansion in international trade, travel and commerce which insurance will be called upon to serve. Next will follow addresses by the heads of the Brazilian and Chilean delegations, dealing with two important phases of international insurance cooperation.

### Five Discussion Groups

The second day's program will consist of five concurrent discussion groups dealing respectively with fire, marine, casualty, life and aviation insurance.

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## Chicago Insurance Day Is to Be Observed May 23

Plans for an all-day and evening educational and sales gathering to be known as "Chicago Insurance Day" May 23 were announced to members of the sponsoring organization, Chicago Insurance Agents Association, at a luncheon meeting Tuesday by Chairman Emil L. Lederer of Stewart, Keator, Kessberger & Lederer.

Committees have been working on the project for several weeks and the announcement was enthusiastically received. The firms represented by the directors of the association are already committed to take 350 tickets and the attendance is expected to run well over 500.

There will be morning and afternoon sessions, luncheon and banquet. John A. Diemand, president of North America, has already been secured as the banquet speaker on public law 15.

The afternoon session will be devoted to a consideration of values. Speakers will include a builder-contractor, an adjuster and a merchandising man. Then there will be an open forum presided over by John Clarkson of the Bartholomay & Clarkson agency. Other program features are being perfected and will be announced in due course.

The meeting will be held at the Palmer House and the tickets for all events will be \$6 and for the banquet alone it will be \$5.

W. J. Laadt of the Cramsie, Laadt & Co., agency is chairman of the program committee, his associates being Allan I. Wolff of Associated Agencies; Wade Fetzer, Jr., W. A. Alexander & Co.; Sam Rothermel, Moore, Case, Lyman & Hubbard, Eugene Engelhard, Engelhard & Co. Chairman of the publicity committee is L. W. Zonsius of the Critchell-Miller agency, and chairman of the committee on arrangements and tickets is Lyman Drake, Jr., also of Critchell-Miller.

## Make Plans for N. Y. Agents' Rally at Syracuse

Some of the program features have been completed for the annual meeting of the New York State Association of Local Agents at the Hotel Syracuse, May 6-7. On May 7 President John C. Stott of Norwich will give his report. Guy T. Warfield, Jr., of Baltimore, vice-president N.A.L.A., will give an address, as will Superintendent Dineen of New York, and Clarence Twichell of Syracuse, regional vice-president of the association, will make a report on insurance research.

One of the features will be the appearance of a company executive assuming the role "If I Were a Local Agent" followed by a local agent speaking on "If I Were a Company Executive."

There will be a dinner the evening of May 6 and the banquet the next night.

### Few Claims from Hawaii

Few claims, considering the reported high property loss reported resulting from the tidal wave which hit Hilo, H. I., have been reported by the San Francisco office. While they expect an increasing number of claims during the coming weeks, they believe that insurance losses will be moderate. Most of the claims are expected under automobile comprehensive, inland marine and personal effects floaters.

## March Fire Losses at New High; Up 30% Over March, 1945

March was the fourth consecutive month in which losses reached record high levels, the National Board reports. The March estimate is \$53,252,000, an increase of \$12,376,000 or 30% over March, 1945. March losses were the highest on record since the National Board began recording estimated monthly losses in 1929.

Losses during the first quarter of 1946 were \$154,819,000 or 21.7% above the parallel period last year.

	1944	1945	1946
Jan. ...	38,572,000	44,865,000	49,808,000
Feb. ...	38,280,000	41,457,000	51,759,000
March...	39,084,000	40,876,000	53,252,000
Total...	115,936,000	127,198,000	154,819,000

## Federal Crop Changes Are Made

WASHINGTON—The Federal Crop Insurance Corp. appears to be undergoing a reorganization. J. Carl Wright, who has been manager for three years, prior to which he had insurance experience in Oklahoma, is out. Gus Geissler, who has been head of the western division, field service branch, of the Agricultural Department production and marketing administration succeeds him.

These and a number of other changes among top flight department officials, ordered over the week-end, surprised many. It was said Secretary Anderson and new right-hand assistants, planned the reorganization. J. O. Cobb, North Carolina insurance man, is reported handling certain technical details in FCIC operations, as a member of its board of directors. There is no successor to Herman Ekern, Chicago, employed by FCIC for some time on actuarial work.

Meanwhile, on FCIC recommendation, identical bills have been introduced in the Senate and House to amend the FCIC law. One would permit FCIC to insure wheat, cotton and flax crops in dollars up to three quarters of determined investment in the crop. This method would be optional, as an alternative to the method of insuring the three crops by, in effect, guaranteeing a farmer certain quantities of production.

FCIC has authority now to insure corn and tobacco crops in dollars under its program of temporary, experimental insurance, and is now offering such contracts. The same authority would be extended with relation to the permanent crop insurance program.

The second bill would authorize FCIC to buy wheat, cotton and flax futures in hedging. Under its program, FCIC sets up a farmer's premium at, say, so many bushels of wheat or flax or bales of cotton.

FCIC does not set a price on those products until the premium matures, about harvest time. Not until several months after that does FCIC pay out the bulk of indemnities. Meanwhile the prices of wheat, flax or cotton may be shifting. To protect itself against that risk, FCIC has been buying cash wheat, cotton or flax. In view of the food shortage and the scarcity of flax FCIC officials have not thought it proper to buy those products on a cash basis, off the market, because they would have to be held in reserve. Hence the bill to permit FCIC to hedge in the futures market.

### Chubb & Son Installment Plan

Chubb & Son has filed a premium installment plan with the New York department on behalf of the companies in the group. The plan is identical to the one filed by North America and recently approved by the department.

## Summers, Combs to Be Headliners at Cincinnati

**Texas Congressional  
Veteran and U. S. F. & G.**

### Loss Chief Speakers

Hatton W. Summers of Texas, a member of the House of Representatives for the past 34 years and chairman of the House judiciary committee, and Hugh D. Combs, vice-president of U. S. F. & G., will be the principal speakers at the general session of the National Association of Insurance Agents midyear meeting at Cincinnati the afternoon of May 15.

Summers is a foremost constitutional authority. He was one of the main supporters of the original bill to exempt insurance from the federal anti-trust law. He just recently announced his retirement from Congress at the expiration of his present term.

Mr. Combs is one of the leading claims executives in the country.

### Aviation Committee

John S. Rowland, Racine, Wis., will open the forum of the aviation committee of which he is chairman, the morning of May 15 with a review of the growth of this industry and the corresponding increase in premium income possibilities. E. L. Stephenson, Chicago manager of Associated Aviation Underwriters, will talk on "Airport Liability." G. DeWitt Holcomb, Chicago manager of Aero Insurance Underwriters, will handle the subject, "Finance, Feeder Lines and Industrial Aid." "Hull, Personal Liability, and Surplus Army Equipment" will be reviewed by J. R. Hall, Chicago manager of U. S. Aviation Underwriters. A question and answer period will follow.

Walter M. Sheldon, W. A. Alexander & Co., Chicago, as chairman of the metropolitan agents committee, has arranged a forum for the afternoon of May 13, to which he has invited several buyers to participate. They will discuss such subjects as insurance buyers' functions, group hospitalization and medical care and products liability. There will be a panel discussion on insurance valuations in which Gustav May, Cincinnati, and George F. Kern, New York, will exchange views.

The casualty committee will conduct an open forum the morning of May 15 for the review of some of the changes that have been effected in recent months. Members of the panel will consist of A. E. Spotke, manager, automobile division National Bureau of Casualty & Surety Underwriters, a company executive to be announced and an insurance agent.

Roy A. Duffus of Rochester will preside. An opportunity for audience participation will be provided.

The program for the agency management forum May 14 has been completed. "Perpetuating the Local Agency" will be treated by Dudley F. Giberson, Alton, Ill.; "The Selection, Indoctination and Training of Staff," David T. Marantette, Detroit Insurance Agency; "Tools of Management," Howard A. Allen, Burlington, Vt.; "Tools of Production," Richard W. Walker, Omaha; "Survey Selling," Ralph W. Howe, Richmond, and "Agency Promotion and Goodwill," Whitney H. Roddy, Bloomfield, N. J.

## Dineen Recites N. Y. Aggressive Plans Unfolded Goal in Field of Uniform Accounting

### Asks Cooperation of Insurers with N.A.I.C. on National Level

NEW YORK—New York's uniform accounting program, to be a success, cannot be the product of the companies alone or of the New York department alone or even the joint product of both, but because it is national in scope calls for the cooperation of insurers countrywide in collaboration with the National Association of Insurance Commissioners, said Superintendent Dineen of New York in his talk before the Insurance Accountants Association.

As to what the department hopes to accomplish through the uniform accounting law signed by Governor Dewey March 28, Mr. Dineen said that first it hopes to obviate the criticism that it is illogical for companies to charge uniform rates made in concert when little uniformity is employed in compiling the figures upon which the uniform rates are based. He pointed out that although the independent companies do not make their rates in concert, their rates nevertheless are subject in this state to the same statutory requirements as those of the so-called bureau companies. The question of adequacy and inadequacy of rates is not peculiar to rates made in concert. It also applies to rates made individually, and consequently from a regulatory standpoint the department is as much interested in the classifications of accounts of independents as it is of bureau companies.

#### More Scientific Basis

The department hopes to provide, to the greatest extent possible, a more scientific basis both for the making and the regulation of rates. Where all companies are required to observe a uniform classification of accounts, the department is in a better position to compare not only the total operating results of competing companies but their operating results on individual portions of the premium dollar.

In addition, he said, it should be possible to eliminate, or properly adjust for, all statistical distortions, such as those that result from the varying influx of three or five year term business, from the cancellation of such business before expiry, or from the manner of treating reinsurance premiums and expense.

The department believes the law will help management because it will enable competing companies to compare both aggregate costs and the components of such costs. For example, the executive who discovers that his claim adjustment expense is considerably higher than that of comparable companies is thereby enabled to take constructive action for the benefit of his company.

#### EXPENSE EQUITY

The department hopes that the new measure will better enable the companies to do equity among all classes in the distribution of expenses. There is no valid reason, said Mr. Dineen, why large risks should be driven to self-insurance. The business should be in a position to establish to the satisfaction of cost-conscious large risks that they are being asked to pay only their fair and reasonable share of the expenses.

On the other hand, the small policy-

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## at N.J. Agents Parley

NEWARK—Recommendations for an expanded program of activity, including a central office, paid, full-time executive secretary and higher dues to provide the expanded service that the association's members should have marked the report of C. H. Frankenbach, president, at the semi-annual meeting of the New Jersey Association of Insurance Agents. Mr. Frankenbach, who is a partner in the Pearsall & Frankenbach agency of Westfield, gave his report following those of the various committees, letting them tell the story of the administration since the annual meeting.



C. H. Frankenbach



Fred J. Cox

In this way his report summed up and highlighted several phases of the association's work.

Expressing the belief that the time has arrived when the members should realize that theirs is a large organization with many complex problems arising daily, Mr. Frankenbach said he was going to appoint a committee to make a written report to the annual meeting in September on a suitable location for a central office where the association's affairs, including its publications, can be handled, also the cost of establishing and maintaining it. The committee will also interview suitable applicants for the position of executive secretary who would also have the ability to handle the publication of the "New Jersey Agent" and the brokers' list. The committee will determine the salary necessary for a man with these qualifications. It will also analyze the income and expenses for a plan of this type and will make a study of local board and state association dues.

#### Receives \$9 Net Per Member

The state association now receives an average of \$9 annually per member, exclusive of the sum paid to the National association. Mr. Frankenbach emphasized that with the outlook that is ahead and the services demanded of the association, this is not enough. Including the National association assessment, the average per-member dues are about \$1.25 a month.

"The protection of the business of the least prosperous of our members, if we are to measure it in dollars and cents, is worth at least twice that on the average," he declared.

The association having sponsored licensing qualification law, many agents felt they had assumed a responsibility to see that educational facilities for applicants were provided, also thereby helping the department raise its examination standards. The course, previously discussed by Russell Stevens, Newark, educational chairman, has received unprecedented support, Mr. Frankenbach said, and the aim is to have it established in other parts of the state.

#### Commission Regulation

In connection with the report of Fred J. Cox of Perth Amboy, public relations committee chairman, Mr. Frankenbach mentioned the recent talk by Superintendent Jackson of Missouri in which he said the power to regulate rates encompasses the power to pass on commission scales. To support his con-

tention he quoted from the U. S. Supreme Court decision involving O'Gorman & Young, prominent Newark agency. The New Jersey association must be strong and well financed to meet this question of commission regulation, which is going to loom up as a big question in the future, said Mr. Frankenbach.

"There are many ramifications to this question—excepted territories, an uncalled-for number of agency appointments, and preferred business on a higher commission scale are some of them," he said. "We stand ready to confer on all these questions. We believe that in the agency ranks are men who think clearly, who have great experience, and whose judgment is excellent."

Mr. Frankenbach also urged the members to take hold of the bank-agent automobile plan and make the most of it; to bring the membership, now at a new high, to 1,200 by the annual meeting; to cooperate with the fire and accident prevention committees, both as a means of rendering a service to the state and community and of making contacts so necessary to business; to join with other businesses to present a united front against bureaucratic encroachment.

The report of Chairman Cox of the public relations committee was very comprehensive but was entirely off the record. He recently announced his retirement from the committee as of June 1 and he paid tribute to those who have cooperated with the committee for their fine work. Mr. Frankenbach expressed the association's appreciation for Mr. Cox's activity as public relations chairman and referred to the committee's splendid record of accomplishment.

A. C. Sinn of Clifton, chairman of the bank-agent auto plan committee, said that considerable progress had been made in this field by various county and local boards but that there is a big job ahead in changing the buying habits of car buyers and that it has to be done on an individual basis. He quoted from a report of the committee on finance of the National Automobile Dealers' Association which indicated that the dealers are very much worked up over what the bank-agent plan threatens to do to their handling of automobile insurance. The N.A.D.A. article referred to this competition as a "battle of giants." Mr. Sinn said this article showed the momentum that the plan has attained and said it behooved every member of the association to continue the fine work that has been started.

#### QUALIFICATIONS QUERY

In connection with the report of the qualifications committee, the question arose as to what, if anything, could be done to prevent automobile dealers and agencies from soliciting.

A member from one community stated that all automobile dealers in his town engage in the practice of arranging for insurance along with the financing of the newly-purchased car. Rates are quoted and applications taken, he said.

Another member reported that the same situation was prevalent in his community, adding that whereas no commissions are paid to the automobile dealers they receive additional credit reserve for their efforts in soliciting.

The opinion of E. F. Walton, chairman of the qualifications committee, was that such practices constitute a clear violation of state law. He recommended that any association member who has knowledge of such practices should report the name of the individual automobile agent along with his reasons for believing that

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## Ohio Mutual Agents Join War on Auto Dealer Licensing

### Akron Convention Draws Big Crowd, Boyd New President

#### NEW OFFICERS ELECTED

President—C. I. Boyd, Toledo.  
Vice-president—L. C. Weingart, Akron.  
Secretary—E. F. High, Columbus (re-elected by board).  
Directors—B. G. Sager, Cleveland (immediate past president); H. A. Nelson, Springfield; R. A. Shenefield, Toledo; J. W. Whitehouse, Niles (re-elected); May Wellons, Barnesville; B. F. Sietz, Lima.

The Ohio Association of Mutual Insurance Agents showed remarkable vigor at its first convention in Akron last week. Organized in 1944, it was unable to hold a meeting until now, but its first gathering was a success from every viewpoint—attendance, quality of program, interest and enthusiasm of members. Its members left firmly convinced that B. G. Sager, Cleveland, the retiring president, and the other officers had done an outstanding job of organization.

At the business session which closed the convention, the mutual agents pledged support, financial and otherwise, to the Ohio Association of Insurance Agents in the current fight over the licensing of automobile dealers and employees of financial institutions as insurance agents. P. R. Gingham, Columbus attorney, who has represented the Ohio association in this and similar matters, was the speaker at the luncheon which opened the convention, outlining the present status of the actions.

#### Seek to Cooperate

Other resolutions were concerned with making underwriting facilities available to all members and upholding the principle of agency ownership of expirations. Leaders in the Ohio Association of Mutual Insurance Agents are convinced that there is no essential conflict between stock and mutual insurance, but that the real battle is between agency and non-agency methods of operation. The Ohio Association of Insurance Agents has never excluded agents who represent mutual carriers and President Sager and other leaders of the mutual association emphasized several times that many of their members belong to both organizations. The mutual agents feel that their organization should properly serve as a medium for discussion of problems of mutual agencies and should cooperate, not compete, with the other agents organization.

#### Columbus Makes Bid

The meeting had originally been scheduled for Columbus, but was moved to Akron because of hotel problems. J. W. Huntington, manager Ohio department Mill Mutuals, who was one of the convention speakers, invited the association to Columbus for the 1947 meeting.

The program, which opened with luncheon Wednesday and ran through Thursday afternoon, featured studies of impending developments and discussions of practical problems before agents. After Mr. Gingham's talk at the luncheon, and Mr. Sager's presidential report, which opened the afternoon session, N.

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## Western Department Business Up 30% in First Quarter

**Marine Outstanding;  
New Fire Surprising;  
Loss Up 15%**

Western department business appears to be up 30% for the first quarter, an upsurge which has assumed boom proportions and outstripped considerably most expectations. Gains by lines are about even, close to the 30% estimate. Western department managers at Chicago report overall gains ranging from 10% to 43%. Everyone was prepared for substantial increases, but such a premium skyrocket has aspects which are regarded by some managers as beyond explanation.

Disquieting side of the picture at Chicago is that first quarter losses in all lines seem to be at least 15% over losses for this period last year.

Coupled with the downward trend in rates these losses offset much of the premium gained.

### Two to Five Year Boom

General impression among western department officials seems to be that the current insurance boom will last for from two to five years and will outlive the shortage in consumer goods. This prospect is rendered the less pleasing by the continuing shortage in trained personnel which plagues overworked western department officers. Executives admit that at present wage levels insurance companies cannot compete for personnel with other industries.

Officials assign most of the fire and extended cover increase to the placing of additional business to match increased values and to comply with coinsurance requirements. But in addition to this natural feature of the inflationary period, new business is surprisingly high.

New fire business comes apparently from individuals and concerns which have never before been insured. Now with money in their pockets they are availing themselves of the "luxury" of insurance. By this same token, those who formerly could afford only the cheapest kinds of insurance are transferring their business to substantial stock companies. Several managers attribute part of the surprising increase in new business to heightened promotion and sales activities by the major companies and the addition of aggressive younger agents to the sales forces.

### New U. & O. Strong

Far from the expected dropping off of use and occupancy cover due to contract cancellations, new U. & O. business matched the increase in other lines during the first quarter. The revival of manufacturing on a large scale and the continued difficulty, in the face of government controls and material shortages, of replacing any losses apparently have made U. & O. cover attractive to many who never carried it before. Officials indicate that there is an increased understanding of U. & O. evident on the part of agents who formerly shied away from presenting this insurance to their clients, because it was too complicated. A good portion of business on smaller plants which during the war was handled through the associations is returning to individual companies.

Greatest increases have been recorded during the first quarter by marine departments. Wet marine business, for many years a virtual stranger in the mid-west, was the outstanding line.

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## Home Revamps Chicago Setup; Fischer Top Man

Home is putting into effect May 1 a complete change in its managerial setup at Chicago, several of the veteran executives there are retiring and Louis J. Fischer becomes the general manager of all departments.

The retirement was announced last week of F. H. Cornell, as secretary in



E. R. HURD

charge of the combined farm and hail department. That operation is now being divided with G. C. Cundiff, as secretary, in charge of the farm department, and Edward R. Smith as manager of the hail department.

E. R. Hurd, who has been resident secretary for all companies in the group at Chicago, and who has been with the organization since 1902, is one of those that is retiring at this time. Also retiring is Carl Koch, Chicago manager of National Liberty and Baltimore American, and also Otmar R. Huncke,



G. W. Cundiff



L. J. Fischer

assistant manager of the two latter companies.

Mr. Fischer replaces Mr. Hurd and P. C. Van Deusen, previously manager of the service department, becomes Cook county manager. Edward V. Smaidginnis, formerly Cook county special agent, becomes assistant Cook county manager.

Tilford G. Webster, who has been Missouri state agent with headquarters at St. Louis, also becomes assistant Cook county manager. Clifford Nelson, formerly special agent for the service department at Detroit, becomes manager of the service department in Chicago. E. J. Busch, who has been loss department manager, is now assistant general adjuster for all the fire companies in Chicago.

Mr. Fischer has been with Home since 1908 and has been general manager at Chicago since 1942.

In the farm department George M. Craig, previously associate manager, replaces Mr. Cundiff as manager.

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## Salvage 85% of \$180,000 Mail Theft; Biggest Cash Loss

NEW YORK—Recovery of \$153,145 stolen two years ago from a registered mail federal reserve cash shipment has brought to a close a case involving the biggest cash loss on record. The previous record loss was less than \$100,000, taken in a holdup at Fall River, Mass., in 1934.

The original cash shipment, consisting of bills ranging in value from \$10 to \$1,000 and higher, amounted to \$180,000. It was consigned to the Federal Reserve Bank in Miami, Fla.

On May 17, 1944, a postal clerk noticed the large cash shipment, substituted a falsified letter as registered matter, removed the cash, and adjusted postal records to hide his acts. He buried the money in his back yard in jelly jars and various other containers.

In July of that year the clerk died, but before doing so he disclosed that he had stolen the money and had buried it, but did not name the place where he had hidden his cache.

### Two Year Search

Nearly two years of constant investigation by insurance investigators and particularly the postal inspector's department has yielded the cache, restoring salvage to three syndicate companies who underwrote the shipment. These companies forming the insuring syndicate are Hartford, Continental, and United States Fire.

It was learned that the clerk spent the large portion of the unrecovered money on jewelry and diamonds.

His wife, indicted on charges of being an accomplice, was acquitted in federal court in Atlanta early this year.

## Charges "Co-op" Foe Is "Co-op" Fan

WASHINGTON—The retail hardware industry is criticised, inferentially, for opposition to the cooperative movement, while at the same time operating "one of the largest cooperative insurance agencies," according to the committee.

The criticism is in a report by the committee on its investigation of co-operatives.

"There is substantial evidence," says the committee, "to indicate that many of the most vocal opponents of co-operatives are themselves members of co-operatives and their firms engage as members in cooperative enterprises. One particular industry group has organized and operates one of the largest co-operative insurance agencies. Other wholesale and retail groups have organized and operate cooperative purchasing and distributive organizations. Many similar cases were called to the committee's attention."

An attache of the committee told THE NATIONAL UNDERWRITER that the "particular industry group" referred to is the National Association of Retail Hardware Dealers.

## Goods Held Back for OPA Verdict Are Heavily Insured

One important source of insurance premiums these days is from coverage on goods of all types that are being stored and held back from the market pending OPA pricing decisions and also in expectation that the OPA controls may have to be abandoned or very greatly modified and that the goods can be moved at a considerably higher price. The owners, of course, know the potential value of these goods and they are seeing that they are insured to the hilt and with every type of insurance that is available.

## Texas Agents Set to Secede If Dues of N.A.I.A. Soar

**Lone Star President  
Will Be National  
State Director**

### NEW OFFICERS ELECTED

President—Will M. Keller, Palestine.  
Vice-president—Melvin J. Miller, Fort Worth.

Executive Secretary—D. G. Foreman, Fort Worth.

New directors—Mr. Miller, W. W. Altgelt, San Antonio; Champe Fitzhugh, Waco.

AUSTIN—Because "the National Association of Insurance Agents has proposals in the mill at this time which, if adopted, may increase our dues from 60% to 80%," the Texas Association of Insurance Agents at its annual meeting here, amended the by-laws "as a matter of self-preservation."



Will M. Keller

The original by-laws provided that the executive secretary was to pay the dues of all members of the Texas association on the basis of the financial plan of the N.A.I.A. The amendment, which was unanimously passed, adds a proviso which authorizes the Texas directors to suspend or cancel all memberships in the National Association.

### Amendment Quoted

The amendment reads, "provided, however, that such financial plans of the National association, do not, in the judgment of the directors of this association, require the payment for any fiscal year of an amount so excessive that the payment thereof from dues collected from our members, will leave insufficient funds to finance the operations of the association; in which event the directors may suspend or cancel all memberships in the National Association, which action shall remain in full force and effect until officially rescinded by majority vote of the membership at a regular annual meeting of the association."

At the Chicago convention of the N.A.I.A., President Richard H. McLarry of the Texas association led an unsuccessful fight to give the national board of state directors the authority and duty of allocating dues from the various state associations because, he said the present plan gives the executive committee of the N.A.I.A. "the power to adopt a financial plan which might require us to pay to it so much of our dues income as to seriously interfere with our own association operations."

### McLarry Unable to Attend

President McLarry was unable to attend the Austin convention as he is not fully recovered from his long illness.

Fear of the influence of the N.A.I.A. officials was reflected in another amendment which eliminated the "national councillor" clause and substituted one which automatically makes the Texas association president the national state director "as the continuance of the same person as a national state director would bring him under the constant influence of the official family of the national association, which might cause such per-

(CONTINUED ON PAGE 28)

## Organize \$4 Million California Company

LOS ANGELES—Plans for organization of Founders Fire & Marine of Los Angeles with assets of \$4 million have been completed.

The new company, which will be the only fire and marine stock company domiciled in Los Angeles, will be headed by Preston Hotchkis and Victor H. Rossetti.

Mr. Hotchkis, who recently resigned as executive vice-president and treasurer of Pacific Indemnity, is widely known in insurance and business circles in California. He was one of the founders of Pacific Indemnity in 1926. After completing his law studies at the University of California and the University of Southern California he served as an ensign in the first world war and was admitted to the bar in 1920. He has been president and director of many large corporations in California and other states.

In a joint statement, Mr. Hotchkis and Mr. Rossetti stated that the tremendous growth of the Pacific southwest and the development of Los Angeles harbor as one of the foremost ports of the world prompted formation of a major fire and marine company in the California area at this time.

The \$4 million company is being financed on a private subscription basis. The funds will be divided into \$1 million capital and \$3 million surplus. It will be represented by 100,000 shares of \$10 par value. The shares will be issued and sold at \$40 per share without commission or other selling expense so as to net the corporation the full amount of \$40 per share.

Mr. Hotchkis will serve as president and Mr. Rossetti will be chairman.

Directors include Fred H. Bixby, president of Fred H. Bixby Co.; Frank E. Buck, president of Golden State Company, Ltd., San Francisco; Asa V. Call, president of Pacific Mutual Life; Allen L. Chickering, attorney, Chickering & Gregory, San Francisco; I. Eisner, president of Roosevelt Building Co.; S. M. Griffith, president of Griffith Company; Mr. Hotchkis, president of Central Business Properties, Inc.; Frank L. King, president of California Bank.

Oscar Lawler, attorney, Lawler, Felix & Hall; Jonathan B. Lovelace, president of Capital Research Co.; John A. McCone, president of Joshua-Hendy Iron Works; A. J. McFadden, rancher of Santa Ana; Harvey S. Mudd, president of Cypress Mines Corporation; Stuart O'Melveny, president of Title Insurance and Trust Company; Neil Petree, president of Barker Bros. Corp.; Alden G. Roach, president of Consolidated Steel Corp.; Victor H. Rossetti, president of Farmers & Merchants National Bank of Los Angeles; George M. Wallace, president of Security First National Bank of Los Angeles, and P. G. Winnett, president of Bullock's, Inc.

### Directors Are Prominent

Mr. Bixby operates the Bixby Estate in Long Beach and is one of the principal realty owners in the city. He is a brother-in-law of Mr. Hotchkis. Mr. Buck's Golden State Company is one of the largest creamery firms in California. It also has interests in Oregon. Mr. Chickering is a leading attorney. Mr. Eisner for years has been one of the leading capitalists engaged in the construction of business blocks in Los Angeles. Mr. Griffith's company is one of the largest contracting firms in Los Angeles. Mr. Petree, in addition to being head of Barker's, the largest department store in Los Angeles, is one of the civic leaders of the city. Mr. Winnett, as head of Bullock's, operates the third largest department store in Los Angeles.

Mr. Hotchkis is a director of Pacific Mutual Life. Central Business Properties, which he operates, at one time operated a number of important manufac-

## Great American Veterans Advanced



CARL E. INGRAM

Carl E. Ingram, recently appointed secretary of Great American at the western department, began in insurance in the western department of Springfield in 1905 and later was Indiana state agent for Westchester Fire, becoming assistant manager there. He joined Great American in 1930 as agency superintendent and was later made assistant secretary.



GILBERT W. FUNK

Gilbert W. Funk, who became assistant secretary, began in field work in the northwestern states with Minneapolis F. & M. He was later Ohio field man for America Fore and then was with Auto of Hartford. In 1931 he joined Great American as an executive special agent, later becoming superintendent of agencies.

## Mid-West Buyers Review Boiler Covers; Discuss Inspection, Indemnity

Relative merits of inspection service and indemnity protection on steam boiler and machinery coverage were discussed at the April meeting of the Mid-West Insurance Buyers Association.

Following talks by George C. Bonstelle, vice-president, and W. R. White, of Lumbermen's Mutual Casualty on "Why We Buy Boiler and Machinery Insurance," members fired questions at the speakers and discussed their problems.

One member took a show of hands on whether boiler and machinery cover is bought on the basis of inspection or indemnity and received an equally divided answer. The point was brought up that many manufacturers can self insure their machinery, but desire the inspection service and in reality are paying for that only. Mr. Bonstelle asked if this were true would the buyer be willing to take a \$10,000 or \$50,000 deductible for the same service.

Then the buyers asked what agents

turing firms and included Pacific Mutual Life, Pacific Indemnity and the old Pacific American Fire.

Rosetti, King and Wallace head three of the largest banks in the city and their institutions are competitors to the Bank of America.

Mr. Hotchkis' resignation from Pacific Indemnity recently is due, it is generally believed, to differences between him on the one hand and President M. R. Johnson and Swett & Crawford on the other.

There is much interest and speculation in the executive talent that the new organization will get together.

Commissioner Garrison of California has approved the names of Founders Indemnity and Founders Liability on application of Lawler, Felix & Hall, counsel who handled preliminary proceedings before the department for Founders Fire & Marine. No intimation was contained in the letter of application as to whether further action would follow reservation of the names. Under the insurance code, the reservation of an approved name has a statutory time limitation after which it is inoperative.

use as their selling points: inspection or indemnity? Mr. Bonstelle explained that loss ratios have risen over the past 20 years from about 10% upwards to 65% and any large buyer is sold both inspection and indemnity on equal basis.

Another buyer, after learning from Mr. White that the largest boiler loss in insurance history was \$350,000, asked what would be proper coverage on a \$20 million boiler plant. Mr. White admitted that \$5 million would be hard to sell, but pointed out that such high limits have a very small premium increase.

Then some of the buyers asked about company inspectors, some of them stating that combination inspectors, or those who review both boilers and machinery, were unsatisfactory.

Mr. Bonstelle told the buyers that over 80% of insurance inspectors are former seagoing chief engineers who have spent their entire careers at sea working with machinery. These men make better inspectors than college graduates, he said, because they are interested not in theory but practical results. He then said that combination boiler and machinery inspectors often are the equal of specialists, but that not all are permitted to handle both lines. Although plant superintendents often prefer single line specialists, they are satisfied, questioning by Mr. Bonstelle revealed, if the combination man proves competent. He emphasized that the carriers are as much interested in inspection reports as buyers.

In his dinner talk, Mr. Bonstelle reviewed the history of boiler and machinery insurance. He explained the hazards inherent in steam boilers, turbines, reciprocating engines, and electrical machinery.

Mr. White explained various forms and coverages and reviewed a buyers' program for machinery protection from a number of angles. Pictures of boiler losses and a model fly wheel engine were exhibited to point out the dangers in machinery.

### Doten Chicago Surety Speaker

Roger Doten of the Chicago law firm of Dent, Weichelt & Hampton, will speak on "Probate Practices in Illinois," at the April meeting of the Surety Claim Men's Association. The meeting will be at the Illinois Bar Association April 22.

## Philippine Damage Fund Increased in House Amendments

WASHINGTON—The Philippine rehabilitation bill, passed by the House, includes \$400 million for compensation for war damages. The bill passed the Senate months ago. The House, on recommendation of its insular affairs committee, raised the amount available for war damage compensation from \$330 million voted by the Senate. The bill has gone to a joint conference committee for adjustment of differences between the two houses.

The measure provides for a war damage commission of three, one to be a Filipino, and each to receive \$12,000 annual salary in lieu of the \$10,000 proposed by the Senate. It will wind up its affairs not more than five years after enactment of the law.

Compensation is authorized for loss, destruction or damage to property in the islands occurring after Pearl Harbor and before October 1, 1945, as a result of war operations, looting, pillage, etc., resulting from collapse of civil authority. This includes action by Japanese, Filipino guerrillas, and American military authority.

### Will Not Repay in Full

The House committee said in its report on the bill that it "does not pretend to repay in full for all the damages due to Philippine involvement in war . . . The bill is not a private claims measure to reimburse individuals or organizations for damage incurred in war," the committee added, admitting individual hardships may result under it. The bill represents the first time the United States is paying for damages suffered by its people in war.

Payment is limited to loss or damage to private property. Compensation will be payable to qualified persons having December 7, 1941, and continuously, including time of loss or damage, an insurable interest as owner, mortgager, lienholder or pledgee in the property concerned.

Types of property ineligible for compensation include public property, specified personal property, vessels and watercraft of other than Philippine registry with certain exceptions, intangibles, shipments diverted to the islands by United States authority; "cargo in transit which was insured against war perils or for which such insurance was available."

The committee paid special attention to protecting the government against duplicate payment of war damages. Thus, the bill prohibits the new war damage commission to compensate for loss or damage "which was insured against specified war perils (except to the extent the loss or damage exceeds the amount of insurance)"; or for which the United States or Philippine government, the army or navy, were authorized to pay, unless the latter refused to pay; and "for cargo in transit which either was insured against war perils or on which such insurance was available."

### Free Insurance Excluded

WDC and RFC are prohibited by the bill from compensating for Philippine war damage except to the extent authorized under premium-paid policies. This apparently leaves out of consideration free war damage insurance announced by RFC or issued by WDC until Congress stopped that practice.

In order to insure retention of war damage compensation in the islands to contribute to their rehabilitation, the commission will require that lost or damaged property be rebuilt, replaced or repaired, before compensation is paid; or as a condition of making the payments, compensation amounts shall be invested to promote rehabilitation and economic development of the Philippines.

(CONTINUED ON PAGE 26)





## FINANCIAL STATEMENTS DECEMBER 31, 1945

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$9,397,690.	\$54,848,473.	\$31,764,718.	\$23,083,755.
The Girard Fire & Marine Insurance Company <small>Organized 1853</small>	1,000,000.	6,412,691.	3,691,439.	2,721,252.
National-Ben Franklin Fire Insurance Company <small>Organized 1866</small>	1,000,000.	5,891,844.	3,233,665.	2,658,179.
The Concordia Fire Insurance Co. of Milwaukee <small>Organized 1870</small>	1,000,000.	5,981,590.	3,232,950.	2,748,640.
Milwaukee Mechanics' Insurance Company <small>Organized 1852</small>	2,000,000.	15,712,261.	8,759,027.	6,953,234.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	16,207,622.	11,082,112.	5,125,510.
Commercial Casualty Insurance Company <small>Organized 1909</small>	1,000,000.	16,497,745.	10,952,765.	5,544,980.
Royal Plate Glass and General Ins. Co. of Canada <small>Organized 1906</small>	100,000.	357,392.	1,384.	356,008.

Pittsburgh Underwriters - Keystone Underwriters

PACIFIC DEPARTMENT  
220 Bush Street  
San Francisco 6, Calif.

SOUTHWESTERN DEPARTMENT  
912 Commerce Street  
Dallas 2, Texas

HOME OFFICE  
10 Park Place  
Newark 1, New Jersey



CANADIAN DEPARTMENTS  
465 Bay St., Toronto, Ontario  
535 Homer St., Vancouver, B. C.

WESTERN DEPARTMENT  
120 So. LaSalle Street  
Chicago 3, Illinois

FOREIGN DEPARTMENT  
111 John Street  
New York 7, New York

## Arkansas Loss Ratio 39.96% on Fire Lines

### Rerating of Entire State Planned by Bureau in Starting Card System

LITTLE ROCK—The loss ratio on fire and allied lines in Arkansas last year was 39.96% compared to a national average of 58% according to a report made before the 33rd annual meeting of the eastern advisory committee of the Arkansas Fire Prevention association by Manager George D. Suter.

Loss ratio on fire business alone was 38.29% and Arkansas premiums on all fire lines increased 9.3%. Due to heavy losses in 1943 and 1944 exceeding 80% of premiums the Arkansas bureau inspected and made reports on 951 cotton gins last year, Suter said. Although last year's loss figures are not yet compiled, Manager Suter stated that there were only nine total gin losses, all of them of the old frame type construction. The bureau believes that the loss ratio on gins will be materially im-

proved as a result of these inspections. On recommendation of Manager Suter, the bureau committee ordered discontinuing the inspection and publication of dwelling rates, originally started in 1929 when the loss ratio on this class had soared to 80%. This class is now about 30%, Mr. Suter stated.

No longer having to rate dwellings except those with mercantile exposures, bureau inspectors will have more time to make reports on the many new industries which have developed in Arkansas in recent years. Manager Suter stated that the bureau contemplates a complete rerating of the entire state, neglected during the war period, which is necessary since the bureau is in the process of republishing all rates on a card system. This system already has met with wide approval from local agency circles as a means of simplifying the task of keeping rates up-to-date, Suter said.

The personnel of the Arkansas bureau was increased from 40 to 52 in the past year due to post war building. Requests for inspections have risen to 500 to 600 per week, the manager stated. The Arkansas bureau held its annual "all-industry" luncheon Monday with officers, executive committeemen, and local board presidents of the Arkansas

Association of Insurance Agents as guests along with the eastern committee and Arkansas fieldmen. Ivan Es-cott, Home, and eastern committee chairman, addressed the joint group citing the annual "all industry" as a fine pattern of cooperation between company and agency interests. He discussed some of the changes confronting the business as a whole and urged agents and company men alike to assume more interest in governmental affairs, particularly "in those who represent us in our legislative hall."

Bureau committee members attending included Louis P. Jervey, America Fore, Atlanta; Henry P. Whitman, Phoenix, Hartford; C. A. Dossdall, St. Paul Fire & Marine, St. Paul; J. H. Hines, Crum & Forster, Atlanta; Albert E. Perry, Commercial Union, New York; Phil Abney, Firemens, Newark, H. R. Tomlinson, Aetna, Hartford.

## S.E.U.A. Annual Meeting May 22

The annual meeting of the Southeastern Underwriters Association is to be held at the Cavalier hotel, Virginia Beach, May 22. There will be a meeting of the executive committee the morning of May 22.

## Ponder Simplified Plan for Insuring Floor Plan Goods

NEW YORK—A. H. Bohlinger, deputy New York superintendent, conducted a hearing Tuesday on the writing of fire, casualty and marine protection of floor plan merchandise under one marine form. Representatives of the three types of companies attended, but indicated no conclusion had been reached by them on a form.

The department has had requests for a simplified method of writing this business, from producers, insurers and dealers and retailers.

Although automobile floor plans are written by the automobile departments of companies under a single policy the insurance commissioners bulletin 98 does not permit other merchandise to be written as a marine coverage on the ground the plan is not an installment payment plan but involves a loan arrangement between manufacturers or wholesaler and dealer.

Apparently the department is interested in seeing a simpler method of writing such merchandise. At present the casualty companies write theft, open stock burglary, and fidelity to cover wrongful conversion; the fire companies write the fire hazards and the marine insurers cover the transportation hazards.

Bohlinger indicated he would issue a decision on the matter in the near future and would not wait until the companies solved the problem.

E. L. Williams, president Insurance Executives Association, said a committee of his organization expected to have something to offer in way of a solution in a week or two.

W. E. McKell, president of New York Casualty, speaking for casualty members of the committee, said his group has been meeting. The problem is a difficult one and action should not be hasty, he said.

George F. Sullivan, representing the brokers, suggested that when losses are adjusted under the inland marine form, conditions of the standard fire policy and burglary policy prevail. Rates issued by the Inland Marine Underwriters Association should be public information, he recommended. C. J. Reid, broker, favors a marine all-risk policy.

Roy S. Edwards, Granville, O., has purchased the A. P. Nichols agency there. Samuel J. Smith has become manager of the Harry C. Rogers agency, Barnesville, O.

## Drop 80% Collision in Illinois, Kansas

### Department Objects to Increase, Rates Up on Other Collision Forms

The 80-20 automobile collision coverage has been discontinued in Illinois and Kansas, under the filings of the National Automobile Underwriters Association, which were approved in these two states this week. In each case the insurance department would not approve the sharp increase for this coverage, so the association companies decided to drop it rather than file lower charges.

The new charge for 80-20 collision insurance in other states is 80% of the full coverage premium, as compared with the old charge of 125% of the \$25 deductible premium.

### Heavy Increases Made

Both Illinois and Kansas follow the national trend of sharp increases in collision rates for all classes of cars. As was expected, the heaviest increases were on the oldest cars, age group 4. In Illinois, increases on private passenger cars in the oldest age bracket run up to 50% and even higher, while in Kansas the average increase on this group is about 40%. However, there have also been sharp increases in the newest age group, running up to 40% in Illinois and to about 25% in Kansas. Under present conditions, the two middle age groups are practically non-existent.

Commercial automobile collision premiums have also been increased about 30% in both states.

Comprehensive coverage rates have been increased in Kansas, with the loading going up from 75 cents to \$1 on private passenger cars and from \$1.15 to \$1.50 on commercial cars, but most older private passenger cars falling in age group 4 will continue to take the minimum charge of \$6. The theft rate on commercial cars in Kansas was reduced from 35 cents to 20 cents, but most of these vehicles are now written under comprehensive coverage.

## Program Completed for Pa. Days

The completed program has now been released for Pennsylvania Insurance Days at Philadelphia May 7-9, it being billed a "mammoth convention." There are seven state associations and 12 Philadelphia associations taking an active part.

The gathering gets under way with the all industry luncheon May 7, the details of which were previously announced. Then on Wednesday, May 8, there will be held three luncheon conferences, one on fire, one commercial A. & H., and one industrial A. & H. The programs for these events were previously announced. On Thursday there will be luncheon conferences on fraternal, casualty-surety and life. The life program was previously announced.

E. Walter Helm, Jr., resident vice-president of New Amsterdam Casualty will preside at the casualty and surety luncheon. The speakers will be J. Dewey Dorsett, general manager Association of Casualty & Surety Executives, on "Some Trends in Casualty and Surety Insurance," and Harry E. Moore of Boston, president National Association of Insurance Brokers.

There will be a smoker the evening of May 7 with a variety of entertainment and a hypnotist.

At the banquet May 8, the toastmaster will be Robert Dechert, general counsel of Penn Mutual Life, and the speakers will be Gen. Carlos P. Romulo, resident commissioner of the Philippines to the United States, and Col. Franklin D'Olier, chairman of Prudential.

## MORE BUILDINGS are being constructed ....

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protection of

### Builder's RISK INSURANCE



Increased building activities call for increased use of Kansas City Fire and Marine BUILDER'S RISK insurance by owners, contractors and any party having an insurable interest during the building operation.

Builder's Risk insurance affords protection against loss by fire, windstorm and other perils, and may be written to meet your assured's exact requirements.

We suggest you get in touch immediately with the contractors and prospective builders in your vicinity and offer them this important protection which they need. And whenever you want our assistance, call on our field man, or wire or phone the home office.



**KANSAS CITY Fire and Marine**

INSURANCE COMPANY

KANSAS CITY, MISSOURI



## Rule Changes Big W. U. A. Task at Annual Parley

The outline of activities for the annual meeting of the Western Underwriters Association at the Drake hotel, April 30-May 1, has now been completed. S. M. Buck, Great American, is chairman of the committee on order of business while E. D. Lawson, Fireman's Fund, is chairman of the committee on arrangements.



S. M. Buck

The first session will be held the morning of April 30 and there will be a special meeting in the afternoon to continue consideration of the report of the governing committee. Then Uniform Printing & Supply Division of the Courier Journal Co. will be host at cocktails and this will be followed by the dinner for W. N. Achenbach, retiring western manager of Aetna Fire, and former W. U. A. president.

The final session takes place the morning of May 1.

A large contingent will be present from the east. The piece de resistance of the meeting will be the report of the governing committee on the revision of rules. The subcommittee has been working arduously on this for some time and is now completing its work and its report finally will be submitted to the governing committee April 28.

Other members of the committee on order of business are R. S. Buddy, Glens Falls; J. R. Cashel, Providence Washington; E. W. Hotchkiss, Royal; E. S. Whitcomb, Hartford Fire.

It is expected that the organization will hold a midyear meeting in September but the place has not been selected. However, the Edgewater Beach hotel, Chicago, has already been engaged for the annual meeting next year.

R. D. Safford, vice-president of Travelers Fire, who was elected vice-president of the Western Underwriters Association at its meeting a year ago but who was prevented from being present on account of illness will be on hand this year to support President C. W. Ohlsen of Sun who will give his inaugural address. Vice-president E. H. Forkel, National, will also take a hand in backing the president.

C. H. Smith, vice-president of Hartford Fire, and in charge of the western department, will present the report of the governing committee of which he is chairman.

A new agency has been started at Bremerton, Wash., by Bob McDonald, ex-marine corporal, who was blinded in the battle of Iwo Jima.

## CLAIMS MANAGER

Here is a man who has had an excellent claims management experience in both the Branch and Home Office. He has mighty fine references and the reputation of being a good Manager.

### FERGASON PERSONNEL

Insurance Personnel Exclusively  
166 W. Jackson Blvd., Chicago 4, Ill.

## Explain Coding of Dailies in Kansas

WICHITA—Kansas agents have been instructed, as of May 1, to send all daily reports to the Topeka office of the Kansas Inspection Bureau. This applies to all fire, windstorm and extended coverage business, but not to automobile and non-recording farm business.

The Kansas Inspection Bureau explained that the object is to indicate the coding of risks under the new National

Board classification list. There is no plan to establish such an audit bureau or stamping office in Kansas at this time.

Agents will receive addressed envelopes in two sizes for mailing dailies to the bureau, which has been training a number of employees for several weeks in the details of coding. There will be no delay in forwarding dailies to the companies, bureau officials stated.

### Parked Vehicles Not Covered

Recovery under a "use and operation" policy on vehicles is limited to that

which results from an operation or use of the licensed vehicle upon the highway and work on a parked motor vehicle in a garage has no proximate connection with the operation or use of the vehicle upon the highway, according to a decision of the United States circuit court of appeals, 10th circuit, in the case of Commercial Standard Insurance Company vs. Bacon et al. Recovery had been sought because of an explosion resulting in the fatality of a welder working on an oil tank while it was in a garage. The case may be found in C. C. H. report 17, paragraph 710,598.

Practically

all

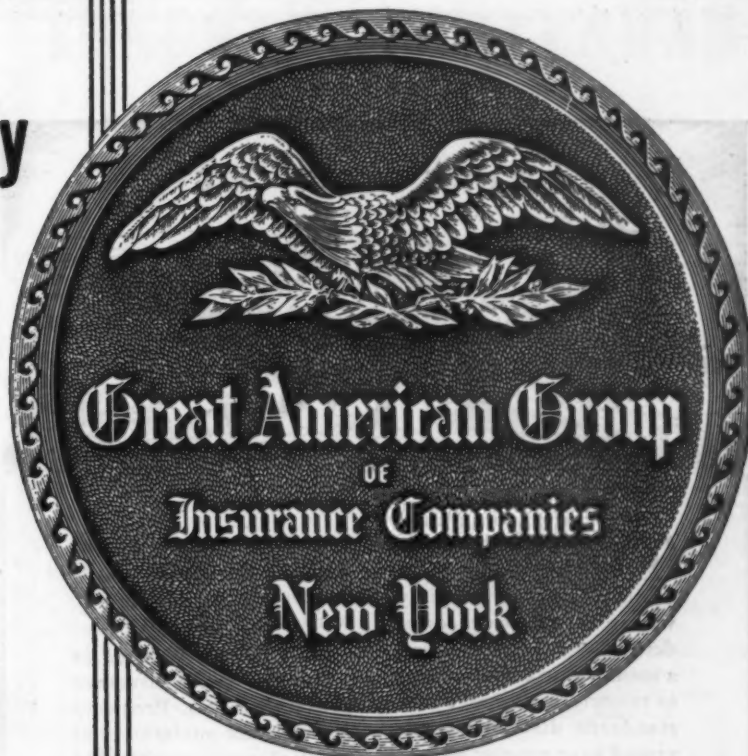
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NORTH CAROLINA HOME

ROCHESTER AMERICAN

ONE LIBERTY STREET

NEW YORK CITY

HANOVER 2-6800

## Auto Dealers' Bid to Be Tenn. Agents Comes Up May 20

NASHVILLE—Hearing on petition to set aside the ruling of Commissioner McCormack on application of 104 Tennessee automobile dealers for licenses as agents for Motors of New York has been set for May 20 before Circuit Judge Langford. An intervening petition has been filed by mutual agents of the state as well as stock agents. The mutuals are represented by Alf Levine, Nashville attorney. Cecil Simms is attorney for stock agents.

The position of the agents, stock and

mutual, was outlined by Simms. He gave five reasons why licensing of auto dealers is illegal.

"(1). General Motors' efforts to control insurance through General Exchange, Motors Insurance Corp. and General Acceptance Corp. is the beginning of the creation of a monopoly through such control. Manufacturers of sewing machines and radios attempted the same thing through control of thread in one case and tubes in another, but were stopped by the government as violating anti-trust laws. Real estate agencies that maintain insurance departments are not in the same category because they do not manufacture what they sell.

"(2). Tennessee insurance statutes prohibit an agent writing insurance on his own property. An automobile manu-

factured by them remains the property of General Motors until paid for. The dealer has possession of them by contract only.

"(3). Tennessee also has a law that forbids a dealer in kind of title notes to be licensed and yet would pay his salesman a commission on the cars each sells, he would be splitting his commission with these unlicensed salesmen.

"(4). Tennessee also has a law which forbids a dealer in kind of title notes to be licensed to write insurance. This would make it illegal for General Motors to write insurance because of its ownership of General Acceptance Corp.

Since nearly every state has these same insurance laws, the points cited may constitute a nationwide opposition to the proposed General Motors insurance setup, according to Simms.

The loser in the Tennessee hearing May 20 is virtually certain to appeal.

## Cornell, Retiring, Surveys 50 Farm Insurance Years

Frank H. Cornell, who is retiring May 1 as secretary in charge of the farm and

hail department of Home at Chicago, is indisputably the dean of farm underwriting executives of the country. He has seen exactly half a century of farm insurance operations with Home and prior to that for several years got an insight into it as farm insurance solicitor for his father's local agency at Yorkville, Ill.



Frank H. Cornell

He has gone through four distinct cycles of farm insurance—the period from the turn of the century until 1914 when operations were on an even keel, results were steady and profitable; the period of expansion from 1914 to 1920; the dismal years of 1920 until 1934 when losses were progressively worse and the farm departments were courted by the red ink salesman, and finally the current period of recovery and new expansion and profits.

Mr. Cornell was born at Yorkville, his father being a private banker and at the same time operating an insurance agency. He worked for his father during the summers and at odd times and became a soliciting agent for the farm department of Home. At that time there was a rule that if an agent represented both the farm and recording departments of the company his commissions were only 15% but if he represented the farm department exclusively he got 25%. Hence F. H. Cornell devoted his attention exclusively to farm insurance. He became personally acquainted with H. H. Walker, who had set up the farm department of Home at Chicago in 1884.

### Entered Chicago Agency

Mr. Cornell graduated from University of Illinois in 1894 and then entered the local agency of John A. Barnes & Co. at Chicago. This was not to his liking and he approached Mr. Walker for a job and was hired as a register clerk.

The farm department of Home was developed pretty largely by accident. Home had reinsured the old American of Chicago, being attracted particularly by its preferred classification of business. However, American had considerable farm business and it was one of the first companies to use the installment plan. Home wanted to get rid of the farm business but the commissions involved in connection with the installment notes were so substantial the management feared that if it should cancel outright it would be difficult to recover the unearned commissions. Hence Mr. Walker, who had been the Indiana state agent and had become somewhat familiar with farm business, was assigned to go to Chicago to run off the farm business of American.

Mr. Walker tackled his job, however, in a constructive way and within six months he had reexamined every application in the office. He reduced the volume by 40% and within a year or two the business began to show a profit. The management of Home realized then that it had got something desirable and Mr. Walker was given more territory and instructed to develop a farm business conservatively.

When Mr. Cornell entered the business, as he recalls it, there were just a few stock companies operating through regular farm departments, they being Continental, Phenix of Brooklyn, American, Rockford and German of Freeport. The local farm mutuals were just as important a factor then as they are today.

(CONTINUED ON PAGE 26)



**T**HE SPIRIT OF '46 is that indomitable spirit of America which is rapidly wiping out all evidences of destructive war, and building a nation, new and unknown as tomorrow morning, with standards discernibly advanced over pre-war days.

Modern design with emphasis upon greater beauty, and increased efficiency are manifested in the building and equipment of our modern factories, stores, public buildings, and homes. Clearly evident are rapid forward strides in our rail, highway, and air transportation sys-

tems. Everywhere in the industrial and home life of America is an upsurge toward something better.

Enlightened America is asking for better insurance protection, too. Property owners want modernization of their insurance in keeping with the general trend toward modernization, growth and betterment.

Alert agents sensing this recognizable evolution in the business will find these two fire insurance companies helpful in their modernization program—in tune with the Spirit of '46.

## MILLERS NATIONAL INSURANCE CO. ILLINOIS FIRE INSURANCE CO.

HOME OFFICE: 137 W. JACKSON BLVD., CHICAGO

SERVICE HEADQUARTERS FOR ALERT AGENTS



### FAMOUS SYMBOLS OF SERVICE

The American Indian believed in symbols. Here is a famous symbol... a quaint bird, signifying the wisdom of being carefree. The Northern Assurance seal, symbol of SOUND INSURANCE PROTECTION, is likewise symbolic of freedom from care.

THE NORTHERN ASSURANCE CO. Ltd.

FIRE AND ALLIED LINES, AUTOMOBILE, INLAND MARINE, REPORTING FORM, FLOATER, CONTRACTS  
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## Juvenile Arsonists, Movies Criticised at Purdue Session

LAFAYETTE, IND.—At the end of the second arson investigation and detection school of the Public Safety Institute of Purdue University here, the police and fire officials attending passed resolutions asking for closer parental supervision of children to help control the mounting wave of vandalism, which has included considerable setting of fires. Another resolution asked Prof. J. L. Lingo, director of the school, to take up with Eric Johnston of the motion picture industry the removal of certain pictures which were felt to suggest lawless ideas for children.

The school drew a capacity registration of 135, from 21 states and one Canadian province.

## D. C. Rate Case Proceedings Are Delayed for Month

WASHINGTON—Pre-trial proceedings in the District of Columbia fire rate case are believed assured of postponement for a month until approximately the end of May, as a result of a change of attorneys representing the district government. Because Assistant Corporation Counsel Lloyd Harrison is busy on a utilities case, another assistant, Oliver Gasch, has been assigned to the insurance case.

In order to have time to familiarize himself with the case, Mr. Gasch has suggested to counsel for the companies fighting the rate reduction ordered by Superintendent Jordan, that pre-trial be postponed. This is agreeable to counsel here, who were contacting Abraham Kaplan, New York counsel, at last accounts.

Postponement of pre-trial will necessarily mean postponement of final hearing on the case before the District court here, now set for May 14.

Meanwhile, the D. C. Rating Bureau governing committee met here Tuesday amid report that it would consider the rate case and plan for the future. The possibility of preparation of testimony was suggested bearing on the problem of expense allowance.

North America has taken the position that 50% is sufficient expense allowance. Some other companies say not. This question may be threshed out in testimony before the court.

Rating bureau officials, however, say there was no discussion of the rate case at the governing committee meeting and no plans made with relation thereto, that the meeting considered only routine nature bureau business.

## Denzelbach Fire Manager

George Denzelbach, assistant to the manager of Crum & Foster in the Chicago brokerage department, has resigned and been appointed fire department manager of American Aviation & General in Chicago. He has 30 years' insurance experience, starting with National in St. Louis. Then he was assistant to the president of the old Liberty Fire of that city and later special agent of Northwestern National Fire in Missouri, Kansas and Oklahoma. After experience as assistant auto manager of American Central in St. Louis, he was for a time a local agent there before joining C. & F. in Chicago in 1944.

## Great Falls Board Elects

W. S. Frary was reelected president of the Great Falls, Mont., Real Estate & Insurance board. George Blumfield was elected secretary and C. C. Ayers was reelected treasurer.

Charles R. Lowry and B. P. McNair were appointed on the insurance committee.

## No Action Yet on Ill. Truck Rates

No action has been taken so far by the Illinois insurance department on the filings of bodily injury and property damage liability rates for trucks, somewhat to the surprise and considerably to the annoyance of underwriters and production men.

With new collision rates now approved in Illinois, most offices are ready to

distribute rate cards to their producers, but hesitate to do so because they cannot quote liability rates on commercial vehicles with any expectation of their remaining in force. The situation has also handicapped the renewal of existing business. The same condition prevails with the new garage liability rates, although it is not believed that there will be any objection to their approval.

## Servant-Bailee Relationship

The Tennessee court of appeals, eastern division, has reversed a ruling by a

lower court chancellor who sustained an insurance company's demurrer to a bill brought to recover for the loss of the insured automobile caused when the servant of a bailee took the car on a personal mission and wrecked it.

The court held that the chancellor was in error in holding that the taker of the vehicle was in constructive possession of the vehicle and that he was not guilty of larceny so as to make the insurer liable for the loss. The case may be found in C. C. H. cited 24 automobile cases, paragraph 710,607.

# "WHO" is the FIRE ASSOCIATION GROUP?

Too often, people think of insurance companies in terms of imposing corporations, and prominent names in the lists of directors.

So we think it is worthwhile to point out "who" the Fire Association Group really is. It is not only a group of four very important corporate names in the insurance business . . . but also two very important groups of people:



**5,412 STOCKHOLDERS** who have put their savings and capital into our four Companies. This large number of share-holders is an unseen but confidence-creating part of the Fire Association Group.



**6,847 AGENTS** who are the tangible part of our Companies to property owners in every state of the Union, and in Canada, Alaska and Hawaii. And, this is the part of us about which we rightfully boast. Our best proof of strength, able service and fair dealing lies in the fact that so many of the country's finest Agents have chosen to represent us.

**FIRE ASSOCIATION GROUP**, 401 Walnut Street, Philadelphia 6, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto.

**ANOTHER "HAYMAKER"** in Fire Association Group's national advertising campaign, this ad will be seen by many of your prospects and clients in NATION'S BUSINESS and U. S. NEWS — in April.

## INSURANCE CALENDAR



On April 6, 1909, Commodore Robert Edwin Peary reached the North Pole—a magnificent example of how man, through perseverance, can eventually win against natural hazards. Similarly, witness the unceasing efforts of the National Board

of Fire Underwriters in their crusade against fire. Sponsored by leading capital stock fire insurance companies, its 80-year efforts have immobilized fire hazards to the point where life is immeasurably safer, property insurance rates are the lowest ever.

1946—APRIL hath 30 days

"Break bread—and give your brother half"

## ASTRONOMICAL CALCULATIONS

EASTERN STANDARD TIME

APR.	SUNRISE	SUNSET	SUNRISE	SUNSET
1	5:50	6:18	5:48	6:20
2	5:44	6:21	5:41	6:24
3	5:39	6:24	5:34	6:28
4	5:33	6:27	5:28	6:32
5	5:28	6:30	5:22	6:36
6	5:23	6:34	5:16	6:40

APR.	SUNRISE	SUNSET	SUNRISE	SUNSET
1	5:46	6:23	5:42	6:26
2	5:38	6:28	5:33	6:33
3	5:30	6:33	5:24	6:39
4	5:22	6:38	5:15	6:46
5	5:15	6:44	5:07	6:52
6	5:08	6:49	4:58	6:58

APR.	SUNRISE	SUNSET	SUNRISE	SUNSET
1	5:45	5:56	5:49	5:55
2	5:39	6:12	5:50	6:24
3	5:33	6:30	6:02	6:35
4	5:27	6:48	6:14	6:46
5	5:21	7:06	6:26	6:57
6	5:15	7:24	6:38	7:08
7	5:09	7:42	6:50	7:19
8	5:03	8:00	7:02	7:30
9	4:57	8:18	7:14	7:41
10	4:51	8:36	7:26	7:52
11	4:45	8:54	7:38	8:03
12	4:39	9:12	7:50	8:14
13	4:33	9:30	8:02	8:25
14	4:27	9:48	8:14	8:36
15	4:21	10:06	8:26	8:47
16	4:15	10:24	8:38	8:58
17	4:09	10:42	8:50	9:09
18	4:03	11:00	9:02	9:20
19	3:57	11:18	9:14	9:31
20	3:51	11:36	9:26	9:42
21	3:45	11:54	9:38	9:53
22	3:39	12:12	9:50	10:04
23	3:33	12:30	10:02	10:15
24	3:27	12:48	10:14	10:26
25	3:21	13:06	10:26	10:37
26	3:15	13:24	10:38	10:48
27	3:09	13:42	10:50	10:59
28	3:03	14:00	11:02	11:10
29	2:57	14:18	11:14	11:21
30	2:51	14:36	11:26	11:32

To obtain local times of sunrise and sunset for longitudes other than the standard time meridians (i.e., 75°, 90°, 105°, and 120° for Eastern, Central, Mountain, and Pacific Standard Time), decrease the time four minutes for each degree east of the standard meridian, or increase the time four minutes for each degree west of the standard meridian.

**OBSERVATION for April:** The storms of war have been too recent for prices to have subsided to their proper levels. Check your property frequently against replacement costs.

**MORAL for April:** Your Agent or Broker will know whether or not your coverage is adequate; see him today!

**PROPERTY INSURANCE**  
Fire—Automobile—Marine

## FIRE ASSOCIATION GROUP

Fire Association of Philadelphia  
The Reliance Insurance Company  
PHILADELPHIA

Lumbermen's Insurance Company  
Philadelphia National Insurance Company  
PENNSYLVANIA

SYMBOL OF SECURITY SINCE 1831

## NEWS OF FIELD MEN

### H. G. Guempel Leaves N. J. for Home Office Post

Herbert G. Guempel, who has been state agent in New Jersey for Northern of New York for many years, has been named assistant secretary and will go to the home office April 30 to assume charge of eastern underwriting.

He will be succeeded by Thomas W. Dean as state agent with headquarters in Newark. Mr. Dean formerly was special agent for Pacific National Fire.

### Springfield Makes Two New Coast Field Appointments

Howard D. Hallowell has been appointed special agent of Springfield F. & M. of the south coast counties of California and the San Joaquin valley, formerly covered by the late E. C. Fotheringham.

E. E. Dumesnil, recently returned from the army, has been appointed special agent covering the coast counties north of San Francisco and the East Bay territories.

Mr. Fotheringham, who also was su-

perintendent of agents for central California—which takes in both the territories of the new appointees—has been honored by a group of agents from the Watsonville, Cal., area who raised a memorial fund in recognition of his years of assistance. The fund was forwarded to John M. Wylie, vice-president in charge of the Pacific Coast, who in turn donated it to the San Francisco Shriners Hospital in memory of Mr. Fotheringham.

### Valuation Increase of 50% Noted by Badger

SALT LAKE CITY—H. F. Badger, executive secretary Pacific Board, addressed the Intermountain Fire Underwriters Association. Increases in assessed valuation of real estate and buildings, he said, should be reflected in increased insurance. In many instances the last five or six years, buildings have risen in value 50 or 60%, indicating new appraisals should be made and insurance coverage increased accordingly.

A proposed new form for covering farm properties, he said, is broader and more liberal in many respects, and would

not only be a benefit to farmers but would be agreeable to the Farm Security Administration, which is lending large sums of money to farmers.

From Salt Lake Mr. Badger proceeded to Butte to attend an agents' meeting, and he also attended the Montana Special Agents Association annual session at Boulder Springs.

### Home Names Bain, Wilder Indiana Special Agents

Ira E. Bain, examiner in the home office of Home, and with the company 20 years, has been named special agent in Indiana, under State Agent A. E. Bulau. Mr. Bain has just spent 3½ years in the army air corps.

George F. Wilder also has been named special agent in Indiana. He has been with the company 10 years, and is a graduate of University of Virginia. He has worked in various departments, including underwriting, advertising and brokerage, and spent 4½ years in the army, from which he was discharged as an infantry captain. He holds the silver and bronze stars.

### Charnock Will Represent Automobile and Standard

H. Irving Charnock has been appointed special agent and engineer for eastern Massachusetts, eastern New Hampshire and Maine, by Automobile and Standard Fire.

Mr. Charnock was formerly connected with the Eastern Inspection Bureau, and later with the New England Insurance Exchange serving in both Connecticut and Massachusetts. For a number of years he has been with the Boston general agency of Elmer A. Lord & Co., now Brewer & Lord, as engineer.

He will make his headquarters in Boston at 10 Post Office Square, where he will be associated with George A. Lowe, state agent, and W. S. Mason, special agent of Automobile and Standard Fire.

### Traver Speaks in West Va.

George C. Traver of the National Board was speaker at a public relations program sponsored by the Field Club of West Virginia.

E. P. Douglas of America Fore was appointed chairman of the committee and the new planning committee will be R. B. Apperson, Hartford; Thomas J. D. Beagan, National Union; B. F. Flood, Royal-Liverpool, and H. E. MacShane, Aetna Fire.

### National Union Names Malcolm

National Union Fire has appointed Harold J. Malcolm special agent in New Jersey. He will assist State Agent Walter W. Wallin. He was formerly with the New Jersey rating organization for several years.

### N. J. Field Club Meeting

The New Jersey Field Club will hold a luncheon in Newark April 22. George F. Neiley, manager of the Eastern Underwriters Association, will discuss "Public Relations."

### Travelers Assigns Two Men

Augustus C. Kellogg, Jr., and William S. Spring, who were appointed special agents by Travelers Fire early this year, have been assigned to the Pittsburgh and Cleveland territories, respectively.

### Resigns Northern, N. Y., Post

Herbert A. Smith of Indianapolis has resigned as Indiana state agent for Northern of New York.

### Larkin St. Louis Pond Speaker

W. J. Larkin, engineer of the Missouri Inspection Bureau, spoke on "Relative Fire Hazards of Flammable Liquids" at the April meeting of the St. Louis Blue Goose.

Mr. Larkin reviewed properties of

flammable liquids and fire hazards in connection with their use and storage, covering flash points and ignition temperatures of gasoline, kerosene and other dangerous gases.

### Los Angeles Class Starts

LOS ANGELES—The initial meeting of the class sponsored by the Southern California Fire Underwriters Association for the study of appraisals will be April 19, with Earl P. Marshall of the Marshall-Stevens Appraisal Co. as instructor. He will use his firm's appraisal manual as the textbook.

### O'Hearn Joins Security

Francis D. O'Hearn has been named special agent for western Massachusetts and Vermont for Security of New Haven. W. A. Porter has returned after a year in the navy as special agent for eastern New York.

Mr. O'Hearn has been Massachusetts state agent for Royal-Liverpool group. He is a graduate of Holy Cross College.

### Hodges to Central Va. Field

J. A. Hodges, Jr., has been named special agent of Great American in central Virginia, with headquarters in Richmond. He takes over part of the territory formerly supervised by George W. Robinson, special agent, who is confining his work to the Richmond and Norfolk areas. Mr. Hodges for the past two years has been connected with the Washington service office.

### Inspect Monroe, Mich.

An inspection of Monroe, Mich., was made by 35 members of the Michigan Fire Prevention Association, assisted by 16 local firemen and 18 Boy Scouts. The meeting was sponsored by the junior chamber of commerce. Eighteen talks were made to 6,300 school children with Harry K. Rogers as principal speaker. George Renner was in charge of local arrangements. The next inspection will be at Cadillac in May.

### K. C. Fire & Marine Field Meeting

Kansas City Fire & Marine held a three-day meeting of field men at the home office. Morton T. Jones, presi-



## THEY SHOULD HAVE MORE Coverage

Perhaps they've grown since the blanket was bought. And perhaps many of your assureds don't realize how COSTS have grown since their insurance was bought. Homes and home furnishings cost half again as much today as they did ten years ago . . . so that coverage which originally was ample is unsafely inadequate now. It's a broad opportunity for you to get additional production. Talk with our field man about it.

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**EUREKA SECURITY FIRE & MARINE INSURANCE CO.**  
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# PEARL AMERICAN

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CLEVELAND, 313 BULKLEY BLDG.  
 PHILADELPHIA, 525 CHESTNUT ST.  
 SAN FRANCISCO, 369 PINE STREET

NEW YORK, 26 CLIFF STREET  
 CINCINNATI, 1417 CAREW TOWER  
 CHICAGO, 175 W. JACKSON BLVD.

## Property Facts Are Basic

The starting point for sound solution of problems of Insurance, Income Taxation, Re-conversion, Accounting and Finance is an accurate knowledge and record of Property Facts.

**The AMERICAN APPRAISAL**

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VALUATIONS • PROPERTY RECORDS  
 DEPRECIATION STUDIES



dent, presided at a luncheon, when the field men met directors.

### California Pond Initiates

LOS ANGELES—California Blue Goose as a feature of the April meeting initiated 20 goslings. Members of the San Diego puddle attended.

### NEWS BRIEFS

The Blue Goose auxiliary of the Sunflower puddle at Wichita held its monthly luncheon-bridge with Mrs. C. C. Crow, president. The annual meeting will be held May 1.

Earl V. Neuberger, Missouri state agent of Springfield, will address the regional convention of the National Frozen Food Locker Association April 29 in Oklahoma City on "Insurance for Inherent Hazards in Locker Plant Operation." He also spoke at a meeting of Associated Industries of Missouri in Kansas City discussing recent changes in fire insurance.

Henry Kroeger, head of the Des Moines "Register and Tribune" research department, spoke before the Iowa Blue Goose on the potential purchasing power in Iowa rural and city areas.

Indiana Blue Goose will give a dinner-dance May 18 at the Indianapolis Athletic Club.

## CHICAGO

### WILEY ENDS FIELD CAREER

Rodney D. Wiley, who for the past 23 years has been Illinois state agent of Atlas, on the advice of his physician, has given up traveling work and has retired from the service of Atlas. He has taken a position with Underwriters Adjusting at Chicago that involves strictly office duties. He has been confined to his home by illness for the past six weeks and is now commencing to regain his strength.

He has been one of the standbys in the Illinois field throughout his years with Atlas. He started with the Oklahoma Inspection Bureau through his association with Harold M. Hess, who was then assistant manager of the Western Actuarial Bureau. He next went with Yorkshire and traveled in Michigan and Ohio five years. Then he went with the Conkling, Zohne & Harrison agency at Minneapolis as an engineer and when that agency was purchased by Marsh & McLennan he continued with M.&M. His next move was to Atlas.

### STEPHENSON TO SPEAK

E. L. Stephenson, manager of Associated Aviation Underwriters at Chicago, will speak at the meeting of the Insurance Distaff Executives Association, the insurance women's organization, to be held Thursday evening of next week at the Cordon Club.

### FORM 25-YEAR CLUB

Charter meeting of the Quarter Century Club of Underwriters Salvage Co. of Chicago was held last Friday in conjunction with a company luncheon at the Union League Club. Silver buttons were presented by M. L. Brownlow, vice-president and general manager, to 14 charter members, each of whom has completed 25 years with Underwriters Salvage.

Speakers were J. C. Harding, president; E. A. Henne and H. A. Clark, vice-presidents; John McGregor, treasurer and assistant general manager and A. D. Moore, secretary.

Members of the club are Mr. Harding, Mr. Henne, Mr. Clark, Mr. Moore, William Beesler, M. J. Geary, A. D. Moore, William Hughes, James Watson, H. A. Junge, D. J. Brun, R. H. Manning, Anthony Geary and E. A. Neilson.

### ACHENBACH IS FETED

W. N. Achenbach, who retires May 1 as western manager of Aetna Fire, was toasted by a group of 40 officers of the group at a dinner at Hartford Friday.

President W. Ross McCain presided and presented to Mr. Achenbach a handsome Chelsea eight-day clock with ship's bells and barometer. This was in harmony with Mr. Achenbach's interest, as he is the owner of a power boat at his home at Petoskey, Mich., and is quite active in yachting activities.

Others who spoke in appreciation of Mr. Achenbach were Vice-president Guy E. Beardsley, who is the only officer of Aetna Fire, who was also an officer at the time Mr. Achenbach started with the organization; Vice-president George Quirk and Frank Bush, secretary of the

fire companies and vice-president of the casualty companies.

Clinton L. Allen, who becomes the new western manager, accompanied Mr. Achenbach to Chicago from Hartford and he will be stationed there from now on.

Mr. Achenbach is being given a farewell dinner at the Chicago Club April 26 with a group of about 50 of his most intimate fire insurance friends in Chicago. Mr. Allen will be introduced to the group at that time. Fred J. Sauter, Chicago local agent and Cook county manager of Aetna Fire, is the host.

Then on April 30 during the convention of the Western Underwriters Association at the Drake hotel, Chicago, there is to be a dinner for Mr. Achenbach. This will be a salute of W.U.A. to the man who served as president for two terms plus a few months, and hence has the distinction of having served as president of W.U.A. longer than any other individual. The committee in charge consists of C. W. Ohlsen, Sun; E. A. Henne, America Fore; A. F. Powrie, Fire Association, and C. F. Thomas, manager of W.U.A.

While the W.U.A. dinner in honor of



"Symbols of yesterday are the guideposts of tomorrow. Men and institutions predicate their usefulness on the basis of performance."

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Our survey service is a valuable aid to the agent who wants to maintain professional standing in his community. Our fieldmen are qualified to assist in the preparation of insurance programs.

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## New York Underwriters Insurance Company

Ninety John Street

New York

**FIRE  
TAKES ONE  
AMERICAN LIFE  
EVERY HOUR**



**MAKE** sure your family, your employees, and your property are safe from the menace of fire.

Look for the display featuring this dramatic illustration. You will find it in leading hardware, auto accessories, marine, mill, janitor, and electrical supply, and other retail and wholesale outlets. It is your guide to dependable fire protection for car, truck, boat, plane, home, or factory.

IF IT'S **GENERAL** IT'S DEPENDABLE

General Detroit manufactures a complete line of portable fire extinguishers—the right extinguisher for every fire hazard.

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Mr. Achenbach is sponsored by the association the group will not be confined strictly to members as there will be a number of those on the outskirts who will be invited. The dinner will be informal. John C. Harding, Springfield F. & M., will preside. S. M. Buck, Great American, will make the main address in tribute to Mr. Achenbach's splendid service.

Mr. Achenbach was host at a luncheon for western managers at Chicago to present Mr. Allen to the group. Practically all the top men in the western departments were present.

#### FAIRBAIRN AND COOK SPEAKERS

W. J. Fairbairn, engineer for Factory Association at Chicago, and Warren A. Cook, director of industrial hygiene and engineering research for Zurich, will speak on "Flammable Liquids and Industrial Solvents" at the May 2 meeting of the fire protection and safety engineering committee of the Western Society of Engineers.

Mr. Fairbairn will evaluate hazards involved in transportation, storing, handling, refining, processing and use of volatile liquids. Mr. Cook will discuss toxicity of important industrial solvents and effects on health of the use of solvents.

All engineers are invited as guests of the Society.

#### REACH RED CROSS QUOTA

The quota assigned to the insurance division in the Chicago Red Cross drive has now all but been reached and W. E. Hall of Johnson & Higgins, the general chairman, is certain that there will be a generous oversubscription. Currently 98% of the \$80,000 quota has been achieved. This is the fourth year that Mr. Hall served as chairman of the insurance division. In previous years during the war the quota was \$160,000 and it was always exceeded.

Assisting Mr. Hall as vice-chairman were his son, W. E. Hall, Jr., of Johnson & Higgins who had just been transferred to New York; W. A. Sennett, casualty manager of Johnson & Higgins and then there were chairmen of various divisions within the industry, all of whom tackled the assignment aggressively, they being Arthur Hallagan, Metropolitan Life; K. O. Saunders, Globe Indemnity; Fred A. Johnson, Royal League; Ralph Learn, Aetna Fire; R. V. Robinson, North America; John M. Breen, Lumbermen's Mutual Casualty; Lawrence C. Larson, Fred S. James & Co.; Joseph Schwartz, broker, and Clarke Munn, Cook County Loss Adjustment Bureau.

## NEW YORK

#### O'NEILL NEW SUPERINTENDENT

Austin J. O'Neill has been named superintendent of the New York metropolitan fire department of Springfield F. & M. He has been with the group since 1940 as engineer.

#### FUND CHAIRMEN NAMED

In the annual campaign of the Greater New York Fund, Vincent J. Cullen, president of National Surety, is chairman of the section of casualty and surety companies while Walter F. Beyer, vice-president of Home, heads the fire and marine insurance division. John S. Sinclair, executive vice-president of New York Life, is chairman of the insurance group as a whole.

#### F.C.A.B. TO NEW HOME

The general executive offices of the Fire Companies Adjustment Bureau and the eastern department have been moved from 116 John street to the Insurance Company of North America building, 99 John street, New York. The bureau occupies the entire second floor except for the east end, which houses the Inland Marine Underwriters Association and Inland Marine Insurance Bureau.

The adjustment bureau's New York adjustment office has been at 99 John street for about a year. Its space is on the eighth floor.

#### EXCHANGE NAMES COMMITTEES

New York Fire Insurance Exchange has named committees for the ensuing year as follows: Executive, W. A. Roridan, chairman; W. R. Crane, vice-chairman; arbitration, T. D. Hughes, chairman; F. W. Mezey, vice-chairman; rules and forms, G. S. Duryee, chairman; S. D. Parker, vice-chairman.

#### MAJ. R. D. O'BRIEN RETURNS

Maj. Raymond D. O'Brien has rejoined the firm of O'Brien & O'Brien, New York, after four years in the army. His father, Raymond A. O'Brien, also is associated with the same company. Major O'Brien, who served with the army in the Rhineland, Ardennes, and central European campaigns, holds the bronze star, the army commendation ribbon, and the coat of arms of the city of Colmar.

#### W. E. HALL, JR., TO N. Y.

W. E. Hall, Jr., who has been with Johnson & Higgins at Chicago 10 years, except for the three years he was in the army, has taken a new position at the New York office of J. & H. A captain in the army, he was released about three months ago. He is a graduate of University of Illinois and his father is W. E. Hall, head of Johnson & Higgins at Chicago.

#### CHANGE IN JELLIFFE CORP.

The name of Jelliffe Corp., insurance brokers of 70 Pine street, New York, has been changed to Russell Drowne, Inc., with Col. Henry Russell Drowne, Jr., as chairman.

Col. Drowne was executive officer and later commander of the 102nd anti-aircraft artillery brigade on Luzon and has just been released from the army. He was awarded the bronze star medal and New York state conspicuous service cross.

John J. Nagle, who formerly handled insurance for Bankers Trust Co., will continue as president.

The firm will continue the activities of the Jelliffe Corp. in general insurance as well as life insurance.

#### Rielage to Hukill Agency

CINCINNATI—B. A. Rielage, who has had 23 years' experience in agency and rating bureau work, has joined the W. S. Hukill, Jr., agency as underwriter. His father was Joseph Rielage, local manager of Ohio Audit Bureau many years. After a number of years with the audit bureau, B. A. Rielage went into the agency field. During the war he was engaged in war work.

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**REINSURANCE**

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## Boston Opens Chicago Unit; R. D. Flinn Head

Boston and Old Colony May 1 are opening a Chicago and Cook county department for fire business in charge of Robert D. Flinn.

Mr. Flinn for many years was Cook county manager of Fidelity & Guaranty Fire and in recent years has been in the eastern Michigan field for Hartford Fire. He is thoroughly familiar with Chicago operations.

Boston and Old Colony opened an office in Chicago about three months ago with W. E. Cornwall in charge. He is a marine man and is devoting his attention to that end of the business. Mr. Flinn will operate from the same headquarters on the 16th floor of the Insurance Exchange building.

Heretofore the Cook county management of these companies has been in the hands of Fred J. Sauter and the Sauter agency will continue to represent Boston on a class 1 basis.

## Insurer's ICC Liability on Keeshin May Not Run High

When the Keeshin motor freight line filed a petition for reorganization under the Chandler act in January it was feared by insurance men that the liability under the interstate commerce commission endorsement might run extremely heavy. There was talk of a possible liability of \$500,000 to \$1 million.

However, though Keeshin is one of the largest trucking organizations in the country, it now appears that its claims for which its insurer would be liable if the truckline is unable to meet them itself will not exceed \$100,000 to \$150,000, in the opinion of an authority in this field. St. Paul F. & M. is the insurer involved.

Those who talked of high figures under I.C.C. endorsements were apparently basing their estimates of the probable Keeshin loss on past experiences with other truck lines which were unable to meet their obligations. The largest of these losses was experienced on the Flamingo line in the south, on which the insurer set up a loss reserve of about \$300,000. Incidentally, the experience on Flamingo is now such that it will probably be only about \$200,000. Since Flamingo's annual business was about one-eighth as large as Keeshin's, it was natural to believe that liability under Keeshin's I.C.C. endorsements would run into far higher figures than anything previous.

## 125 Women Attend Indianapolis Regional Rally

INDIANAPOLIS — The region 4 meeting of the National Association of Insurance Women was held here Saturday and Sunday. Miss Grace O. Lods, regional chairman, presided. She was assisted by Miss Gene H. Weise, president of the Indianapolis association. Commissioner Pearson and State Auditor Burch gave the addresses at the dinner. Skits were given by members of the Indianapolis organization.

About 125 women from the central states attended.

Chairmen of committees were: Mrs. Phyllis Dragstren, social; Evelyn Calloway, Travelers, publicity.

Closer cooperation was urged between the various chapters in the fourth district which includes Indiana, Illinois, Ohio and Michigan. Plans were made for attendance at the Atlanta convention in June.

Frank T. LeFevre, Sebring, O., has formed a partnership with his son, Frank H. LeFevre, and the agency will now be known as Frank LeFevre & Son.

## London "Review" Discusses New Swedish Rates

The London "Review," in a scholarly discussion of a new Swedish movement to grant drastic reductions in fire insurance rates in departing from established procedure on what is called simple risks, states that while the movement may have a far reaching effect on Swedish fire insurance it may have gained a "Pearl Harbor" victory which may not pay in the long run.

The article states that "the differentia-

tion can be carried too far and that there must be a minimum premium beyond which, in equity to the community as a whole, no fire insurance rates should be allowed to fall, however favored by nature of circumstances the risks may be.

Otto Pucht, foreign manager of the Swedish movement, asserts that fire insurance rating in Sweden has become a system maintained for the sake of the system itself, whereas in other countries much simpler forms have been adopted. While claiming that differ-

entiation between risks is sufficiently maintained, it is also stressed that the new and simpler tariffs should enable the company to save considerable management expense.

The present safety loadings have been cut on the strength of substantial funds built up in the course of years. A feature of the new rate is that the various discounts, such as age discount and the rebate for ten-year policyholders, are now immediately incorporated in the policy without binding the policyholder to the company.

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February 5, 1946

The American District Telegraph  
Company of Indiana,  
201 Sycamore Building,  
Terre Haute, Indiana.

Gentlemen:

January 31, 1946 at 7:26 P.M.: we responded to an alarm from your Aero Automatic Fire Alarm System in the Swope Art Gallery. On arrival, there was no indication, whatsoever, of fire in the building but your annunciator, located adjacent to the building entrance, showed fire on the third floor. After we entered the building we found the entire third floor full of smoke. Apparently a spark from a chimney on an adjacent building had lodged behind a window casing and set it afire. We have no way of knowing how long it took this fire to burn through the casing, but evidently your Aero System picked it up immediately.

The Swope building is a three-story and basement building, with the first floor a multiple occupancy, the Art Gallery occupying the second floor and the third floor vacant. The third floor has an open-joint ceiling and very little delay would have given us a fire of first class proportions. Destruction of the second floor alone would have caused a loss of well over \$300,000.

We were commended very highly by the owners of this property for holding the loss to a very small amount. This we attribute to the efficiency of your System which we recommend very highly.

Albert W. Rowe, Chief  
*Albert W. Rowe*  
Terre Haute Fire Department

## Chief Rowe lauds efficiency of Aero System in protecting \$300,000 Swope Art Collection

To avoid heavy fire and water damage in buildings housing objects of artistic and historical value, speed is a vital factor in the detection and reporting of fires. • The outstanding effectiveness of the Aero Automatic Fire System in protecting such buildings, as well as

other types of structures and occupancies, is attested by the above letter from Fire Chief Albert W. Rowe of Terre Haute, Indiana. • May we tell you how this and other A.D.T. Services can help solve your protection problems? Write for descriptive booklet.

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## Western Adjustment Promotes Cherry, Irvine, Peters

Western Adjustment has made several staff changes in the field and at the head office.

Regional Supervisor R. V. Cherry of Indiana has been promoted to executive general adjuster of Western Adjustment at the head office at Chicago. He will be succeeded as regional supervisor by R. F. Irvine of Cincinnati.

Mr. Cherry has been with the Western Adjustment for 30 years in Illinois, Kansas, Nebraska, Michigan and Indiana.

Mr. Irvine, a graduate of Ohio state university, has been with Western 18 years in Michigan, Illinois, Iowa, Kansas and Ohio.

Chas. L. Mehagan, regional supervisor

and manager at Minneapolis, will resign that post on May 1 to devote more time to supervisory work and adjustment of major losses. E. I. Peters of St. Paul will succeed Mr. Mehagan and G. B. Tonskemper will be manager at St. Paul, succeeding Mr. Peters.

Mr. Mehagan was formerly staff adjuster for Home, joining Western in 1925.

Mr. Peters joined Western in 1922 at Chicago and later was manager at Springfield, Ill. He went to Minneapolis in 1937 and became manager at St. Paul four years later.

Mr. Tonskemper has been with Western since 1931, starting at the head office and later going to Duluth, Madison and Green Bay. He was transferred to Minneapolis in 1940.

Geo. C. Bredberg, who has been with Western 25 years, and for many years chief staff adjuster at Kansas City, has been promoted to assistant manager there.

## Number of Golf Events Planned for N.A.I.A. Meet

The golf tournament at the N.A.I.A. mid-year convention in Cincinnati will be played at the Cloverbrook Country Club, Thursday afternoon, May 16. There will be a number of events.

The Alfred M. Best trophy will again be awarded to the man having the lowest gross score. The trophy will be retired and awarded to the winner of the golf tournament at the convention in Denver.

Provisions are being made for those desiring to play golf on May 11 and May 12. Agents will arrange foursomes at their private clubs, and guests are advised to contact the hotel information booths to complete arrangements. Arrangements have been made by the ladies golfing committee which will have information posted in lobbies.

Entries for the tournament should be mailed in advance to Thomas T. Bryant, chairman golf committee Cincinnati Fire Underwriters Association, Carew Tower building, Cincinnati.

## Best Assistant Manager of Phoenix-London Group

MILWAUKEE—Rex O. Bost has been named assistant manager of the Wisconsin office of the Phoenix-London group, associated with Richard A. Kenzel, resident manager. Mr. Bost entered the insurance business in 1934 with the Associated Agencies, Chicago, and four years later joined Fish & Schulkamp of Madison, Wis., as manager of the casualty and surety department.

Since 1941 he has been with Ohio Casualty, first as a member of the home office staff, serving in various capacities and then in the Milwaukee office.

## More Bills Signed in N. Y.

ALBANY—Gov. Dewey has approved bills defining an independent adjuster as any person who for pay investigates and adjusts claims on behalf of an independent adjuster; providing written examinations and fees for professional bondsmen; reorganizing Group Health Cooperative, Inc., as a membership corporation; and giving the superintendent the right to disapprove policy forms for accident and health insurance, if any provision is unjust, unfair, inequitable, misleading, contrary to law or public policy, even though approval has previously been granted.

The governor vetoed a bill to prohibit designation of a particular insurance agent or broker by those engaged in financing purchases of real and personal property or lending money on them. He also vetoed a bill to continue indefinitely the wartime emergency provision that directors or officers of corporations shall not be liable for acts or omissions in compliance with rules or orders of the United States or the state of New York.

## Aviation Men Provide Program

LOS ANGELES—Harrison Goodrich of the Los Angeles office of United States Aviation Underwriters told the Casualty & Surety Field Men's Association of Southern California at the meeting here of some underwriting problems found in writing aviation insurance. He explained what local agents have to do to serve clients in the field, and answered many questions from the floor. Norman Benedict of U.S.A.I.G. showed a motion picture of the latest advancement in aviation, the "human pickup," in which planes pick up persons from the ground in flight.

## GA. Attorney General's Views

ATLANTA—Eugene Cook, attorney general of Georgia, told the Georgia Association of Mutual Insurance Agents at its convention here that it should seek state regulation of its companies before federal interference or control becomes necessary. He said public law 15 was passed simply to give the insurance companies time to set their house in order. He warned against passage of insurance regulations which would be contrary to the Sherman anti-trust law.

## Give K. O. to Mass. Reciprocal Bill

BOSTON—The joint insurance committee of the Massachusetts legislature has filed an unfavorable report on a bill which would have permitted reciprocity to enter and do business in Massachusetts.

## WANT ADS

### WANTED INSURANCE MAN

Well established agency in San Antonio, with best companies and unlimited opportunity, wants to employ a man with general insurance knowledge and sales ability. Here's a real opportunity. Give experience and full qualifications. All correspondence confidential. Address F-63, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### OHIO FIELD MAN WANTED

Because our present State Agent is resigning to manage local agency which he recently purchased, we have splendid opening for man who understands fire, auto and inland marine. Permanent position. Replies strictly confidential.

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Experienced Fire Underwriter and producer with working knowledge of standard inland marine classes, Illinois and Midwest territory. Offers a satisfactory present and an excellent future to a man with ambition, intelligence and initiative. Give full particulars in confidence, preparatory to interview. Write F-52, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

State Agent by large size non-affiliated company with good plant for Indiana and Kentucky. Replies will be kept strictly confidential. Address F-67, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

Man about thirty years of age for Minnesota and Iowa field to assist semi-retired fieldman. Branch office facilities. Major part of work will be Minneapolis and St. Paul. Prefer a Minneapolis or St. Paul resident. Large size non-affiliated company. Replies will be kept strictly confidential. Address F-58, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### Engineer Wanted

Fire protection engineer wanted by large insurance agency with headquarters in Chicago. Either experienced or recent graduate. Good opportunity. In reply state age, experience or education. Address F-55, care The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED FIRE RATING ENGINEER

By Chicago supervising agency. Permanent position with excellent opportunities. Replies kept confidential. Write F-54, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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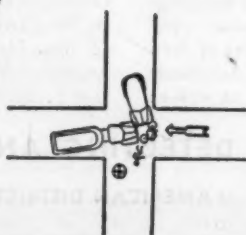
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# POINTERS FOR LOCAL AGENTS

## Expert Knowledge and Its Use Means Success---Duffus

NEWARK—Dozens of ideas and suggestions for increasing business and improving service to assured were presented to the New Jersey Association of Insurance Agents at the closing session of the midyear convention here by Roy A. Duffus, Rochester, N. Y. local agent and chairman of the casualty committee of the National association.

Constant attention must be paid to each risk, he said. Prices are rising. The agency must prepare itself for greater efficiency. Mr. Duffus' own agency is installing new bookkeeping and billing systems and otherwise preparing for the future. It is holding a weekly meeting of the full staff to discuss what was sold the previous week and why.

One man in the office spent an evening making seven telephone calls and placed \$250,000 of additional fire insurance. Another recently wrote 27 letters urging increased amount of insurance to protect increased exposures. He had 27 replies and got 27 orders. The only safe way nowadays, Mr. Duffus said, is to go on record in writing to the assured that he is underinsured, and then follow up. A planned production schedule is essential. Mr. Duffus' own agency in establishing a quota for new business takes one-tenth of the average for ten years' business and sets that as a goal for the year ahead. Last year the agency reached its quota for the year in June.

### Survey on Each Risk

Each risk should be surveyed on the delivery of each policy so that in the future new lines can be intelligently solicited. The Duffus agency takes off the information as to what lines it has with the client and puts it on a handy index card, together with what the agency does not have in the way of coverage of risks to which the client is exposed. The solicitor finds out what the client has in the way of insurance elsewhere, and in addition to the lines carried he offers other lines. Assured is then given a copy of the information, and the solicitor notes on the client's card that he was solicited for this line on a certain date. The reaction almost always is, "Why do you do that?" The solicitor points out that he does not want to be to blame if the man has a loss in the future and it is not insured. The client's reaction is that the agency can't pass the buck to him and generally he buys.

On automobile renewals the agency explains the reason for the recent increases in rates and points out that others may be necessary because of increasing accidents. However, he adds, assured is buying protection for a full year and is hedged against a rise for at least that long.

"Did you ever have an assured ask you what limits you carry on your own automobile?" Mr. Duffus asked his audience. "It would be very impressive if the answer could be—'\$100/300,000.' If the agent carries that much he has one less worry for the rest of his life—and he can recommend with a clear conscience that his customer do likewise. Mr. Duffus also recommends \$25,000 property damage. He explains to assured that medical payments cover everyone in the car that the assured is driving or in a car that is under his control.

It is not necessary to name all insured under the automobile policy, Mr. Duffus believes. As a matter of fact there are several dangers in doing so. He be-

lieves there is only one real danger in not naming additional insured. That would be in case insured is driving a friend's car, the friend is riding in the back seat and is injured. The friend can sue the driver and the driver has no coverage.

Mr. Duffus believes that automobile insurance for a term longer than one year will be permissible soon, to take care of finance business where the payments run 18 months or so. It should not be long before it will be permissible to write medical payments and limited drive other cars coverage on class six trucks. He said agents should keep in mind that automobile fire and theft carries a minimum per policy and not per car, in case assured has two automobiles.

There is unlikely to be any further increase in collision rates this year, Mr. Duffus said. He understands that rate groups 2, 3 and 4 which now have a differential of only 10%, soon will have the wider differential of former days restored. On some new cars that are appearing there is no symbol for the agent to use. He said the symbols in the 1942 manual should be used for them.

One agency uses a covering envelope for the automobile policy and on it is stamped in red "not covered" for the lines which the man does not carry. This makes it quite impressive that he is not fully protected.

Studying the manual and rate changes brings out many points which help the agent get or hold business, Mr. Duffus said. For example, an O.L.&T. on a 3- or 4-family dwelling can be had for 2½ annuals for three years. Property damage should be included on all liability policies, he recommended. Recently employees of a concern were burning orange crates in the rear of their employer's property and were warned by neighboring property owners that it was dangerous to do so. Finally the police notified them to stop. They kept up the practice, and the building next door burned. The concern now has a \$60,000 suit for damages on its hands. In another instance, the refrigeration system failed, and meat in the refrigerators in 90 apartments spoiled. The apartment house paid the bill.

### M. & C. Pointers

The manufacturers and contractors insurance policy is not standardized among the companies, Mr. Duffus stated. To prove this, he suggested that the various parts of the policies of several companies be lined up and a comparison made. The agent should take the best one, or he should ask his own company for features which the comparison shows that his company does not have. The M. & C. policy excludes explosion, collapse and underground damage in such a way that it would apply to all coverages, though it is not intended to apply to all.

Mr. Duffus can see no reason for not taking up this and other matters with the company. Too few agents write their companies and tell them what they would like to have done or changed. This is of some help to the companies, and occasionally a company needs it.

On contractors insurance, Mr. Duffus said, the aggregate limit for property damage is per project and not per policy year. Yet the contractor may be working on ten jobs at once and need aggregate limits sufficient to protect him for his exposure on all ten projects.

In selling products liability, Mr. Duf-

fus emphasized that the agent should not insult the prospect's product by saying that it may have tax in it, it might explode, and so on. The right approach is to ask the prospect what might happen with competitive products. This gets the prospect himself to bring out possible exposures. For 15% additional premium the agent can add the vendor or retailer by endorsement to the products liability coverage, Mr. Duffus pointed out. A woman was walking downstairs on high heels. They pulled loose because they were not properly nailed, she fell down the stairs and broke both legs. The manufacturer was asked by the retailer to defend the suit against him, and the manufacturer refused to do so. Yet the manufacturer has an excellent sales point if he can say that the vendor is included in his products liability coverage. It gives his salesmen a competitive advantage over the salesmen of other manufacturers.

### Hold Harmless Clauses

There is a New York law now that makes unenforceable any clause in a real estate contract holding the landlord harmless in case of his negligence and placing the liability on the tenant. This encourages negligent practices on the part of landlords, and agents' associations should study the situation in their own states and see that a law of this kind is put on the books, Mr. Duffus believes. There is much abuse of the use of hold harmless agreements, he said.

On inside robbery, the agent can cover all buildings without extra charge. He can eliminate the clause excluding government property, without additional cost. This can be done, for example, where a postmaster has a general store.

A keylock safe—many of which are used by filling stations—can be covered without extra charge, but the policy must be so endorsed. Otherwise it covers only combination lock safes. Under the storekeeper's form, Mr. Duffus said, it is ridiculous to have a \$50 limit on tobacco when there is no limit on whiskey, nylons, and other items.

In the safe burglary policy the assured may have two, three, or even five safes on the premises. Each can be blanketed without extra charge so that all are protected and not just the one with money in it. Instead of typing in the number and description of the specific safe, the term can be inserted in the policy, "fireproof-combination lock." Then all are covered blanket. The only thing to watch for then is to be sure that the customer has enough insurance to cover losses.

Under open stock burglary coverage, the selling price can be used instead of the cost price for one-third additional premium, and this is often important to the client.

Where possible the agent should use or get his company to permit the use of the word "occurrence" instead of "accident." This difference can be extremely important. For 1% extra premium the term "occurrence" can be used in bodily injury, manufacturers and contractors and O. L. & T. policies. He cited the case of the family whose home was on the same block with a concern which operated a large machine that set up widely-felt vibrations. This was because it was not properly mounted. This had gone on for years. When a woman complained that it was disturbing her, the company promptly remounted the machine to eliminate the vibration. However, the woman has filed a substantial claim against the concern because the constant vibration over a long period has produced a nervous condition.

Knowledge of unusual features in the

insurance business marks the good agent, Mr. Duffus said. His own agency, when there is a request for a change of address on a piece of insurance, gives assured the change of address and furnishes him with a form to notify the motor vehicle bureau so that the address can be changed on his driver's license as well. This results in much new automobile coverage for the agency.

Not long ago Mr. Duffus checked into the practice in New Jersey and learned that the New Jersey motor vehicle administration did not use a form but a postcard. At Mr. Duffus' suggestion it devised a postcard form. After this was done the administration sent Mr. Duffus a copy and asked him what suggestions he would make, particularly how it should be used. He wrote back that they should pass out the cards to agents who would know when drivers make changes of address.

When there is a fire, the agency learns of it immediately, and usually before the firemen get through putting out the fire it calls its assured in the same block. The agent tells them about the fire and asks if assured has smoke and water damage coverage and water damage insurance.

## Dwyer, Moore Fill Posts for Progressive Companies

Francis Dwyer has been elected vice-president of Progressive Fire and Progressive Life of Atlanta and Burton Moore has been named assistant secretary and actuary.

A graduate of the University of Michigan and Emory University Law School, Mr. Dwyer was a partner in the Atlanta law firm of Craighead, Dwyer & Lavelle before he entered the army. He was recently discharged as a major after 26 months of service which included assignment with the first army in the Normandy and northern France campaigns and a period with the military government in Germany.

Mr. Moore was originally with Volunteer State Life, later becoming associated with Haight, Davis & Haight, actuaries of Omaha. He is a graduate of the University of Nebraska and received actuarial training from University of Iowa in 1936.

He entered the army as a lieutenant in 1940 and was discharged recently as a captain, following a number of months in the Philippines.

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## EDITORIAL COMMENT

### Insurance in the Limelight

With the prospect of many conferences and much legislation within the next year upon the subject of rates, it is hoped that public reaction to the discussions will be carefully weighed against subsequent unfavorable publicity which those who do not understand delight in directing against the insurance industry.

It is a premise of logic we oppose that we do not understand and it cannot be disputed that only the informed few understand the ramifications of complicated rate-making systems. It is unfortunate, we think, Mississippi newspapers were able to quote a proponent of the rate bill before the legislature there that the enactment of the bill would result in rate decreases ranging from 15% to 65%. Such general statements, unless accompanied by facts, leave the way open for future distrust.

We recall the costly propaganda visited upon life companies because of mongers who seized upon gain from savings in mortality and other technical accounting figures in the gain and loss exhibit in an unsuccessful attempt to discredit the companies.

A current paradox presents itself in premiums written and losses paid upon automobile business during 1945. To the uninitiated, losses sustained by the companies are not easily apparent. Too many of us, perhaps, still use as a yardstick of profit, the amount taken in against the amount paid out. Insurance

law provides that premiums are a liability until they are earned and whether a company made or lost money on its underwriting has to be considered on an earned and incurred basis.

Heavy premium income during the latter part of 1945 because of the enactment of financial responsibility laws and the general increase in premium writing by all classes of insurance, will naturally present a distorted picture of experience. The majority of these premiums still belong to the policyholders and that portion may not be considered in loss ratios, as such. It is to be hoped that the public and the law makers understand these things which are every day facts to those in the business.

It is to be hoped that the great amount of publicity to be given to insurance within the near future will have a salutary effect through a proper and thorough presentation of the facts, and will not, conversely, produce the reaction of the old maid, who, convinced against her will, was of the same opinion still.

Some companies already are adopting nation-wide advertising campaigns to educate the public, not in the virtues of their particular company, but in the structure and application of the business. Being in the spotlight affords companies and agents alike an excellent opportunity to retain the respect and confidence of the public mind.

### Problems for Big Producers

The production forces are becoming excited, in eleventh hour fashion, on legislation to conform state regulation to public law 15, particularly rate legislation. Until fairly recently, the ordinary broker and agent seemed to regard the S.E.U.A. decision problems as largely an academic matter so far as he was concerned and something for the companies and bureaus to work out as best they might.

Now, however, a realization seems to have dawned on the field forces that the legislation may touch them at some very sensitive points and they are injecting themselves into the situation in positive and pronounced way. The large producers especially are concerned and the National Association of Insurance Brokers and National Association of Casualty & Surety Agents intend to get emphatically into the fray.

This awakened interest on the part of the sales organization injects a new element into the deliberations of the all-in-

dustry committee and commissioners. It is not too late for the program to be reshaped but it would have been handier if the opinion of the producers had crystallized and been brought to bear at an earlier date.

What the large agent and broker wants is something that is going to be very hard to provide. He wants to have spelled out in the law something for which the English language seems to be inadequate. Perhaps there is a German word for it. He wants to be able to continue to do things for the large buyer that he thinks are necessary to do to keep such insured from patronizing participating insurers or Lloyds or becoming self insurers. Even if it were possible to put into statutory phraseology precisely what is desired, there is the political consideration—the capital that could be made out of what superficially might appear to be preferential treatment for big business.

These organizations have at hand as

their counsel a man, E. W. Sawyer, who can turn out the phrase if anyone can. They have a difficult objective to attain and they run the risk of being misunder-

stood. It is fortunate that Mr. Sawyer is their spokesman, as he is uncommonly articulate, he is a man of prestige and he is truly philosophic.

## PERSONAL SIDE OF THE BUSINESS

**Carl E. Bailey**, Kansas state agent of Crum & Forster, Wichita, who has been confined to Wesley Hospital there for nearly three months, during which he has undergone two major operations, is still seriously ill, having suffered a setback last week, but was reported slightly improved this week.

**L. T. Stubbs**, Monarch Investment Co., big toad of the Sunflower Blue Goose puddle and vice-president of the Wichita Association of Insurance Agents, who has been taking a complete rest for the past month on orders of his physician, is expecting to be up for Easter and may return to his office in May.

**Robert J. Finley, Jr.** has retired after 20 years as assistant controller of North America group. Mr. Finley joined the company in 1911 as an account checker and bookkeeper in the home office. In 1916, he became chief accountant and in 1926 was named assistant controller. He is the brother of George W. Finley, who has been with the group 37 years.

**George A. Moszkowski**, a director of American International Underwriters in charge of the Cuban branch, was married recently in Havana to the former Sheila Garrett.

**Richard R. Saul**, general auditor and supervisor of systems and procedure of Kansas City F. & M. and R. B. Jones & Sons, has resigned to return to Central America where he will represent and assist insurance agencies and their assured in handling business in Guatemala, Nicaragua, Costa Rica, El Salvador and other South and Central American countries. He will have temporary headquarters in Panama. Before joining the company, Mr. Saul spent five years in Central America and is familiar with the methods and problems involved in handling business matters between the Americas.

**Herbert C. Taylor**, secretary of Home, stopped off in Richmond, Va., for a day or two to renew old acquaintances while on his way to Atlanta on a business trip. He formerly was Virginia state agent for Home, with headquarters in Richmond.

**John C. Conklin** has been appointed a director of Colonial Life. He is president of the Conklin general agency, Hackensack, N. J. He is chairman of the executive committee of the New Jersey Association of Insurance Agents and on the aviation committee of the National association.

**Emil Ulrich**, secretary of the Meserole companies in charge of the western department and Canada, is visiting the Chicago office this week.

**Leo Walsh**, staff adjuster for Underwriters Adjusting in Chicago and one of the most valued men in the organization, is seriously ill at Passavant hospital. He underwent a number of blood transfusions with members of Underwriters Adjusting serving as donors.

**Alfred D. Yeaton**, who retired seven years ago as vice-president of New Hampshire Fire, is in Chicago this week

visiting his two daughters at Western Springs, Ill. He is enroute from Orlando, Fla., where he passes the winter months, to Rye, N. H., on the shore where he sojourns in the summer. Mr. Yeaton, until two years before his retirement, was western general agent for New Hampshire at Chicago. He is fit and engages in lawn bowling during the winter, having developed into a very accurate handler of the bowls, and a keen strategist.

**Miss Genevieve Lyman**, for 27 years supervisor of the licensing department of the California department, has retired because of ill health. Her duties are now being handled by Mrs. Mae Barr Long, deputy commissioner with more than 30 years' service with the department.

**Arthur M. Brown, Sr.**, senior executive of Edward Brown & Sons, Pacific Coast general agency, was married to Mrs. Ramona Bray of Oakland. Mr. Brown has been twice a widower and now is in his 70's. Arthur M. Brown, Jr., junior member of the firm, was best man at the wedding.

**Morton T. Jones**, president of Kansas City F. & M., has been elected a director of Aireon Manufacturing Corp.

**Mrs. Joyce M. Howell**, formerly of New York City, whose husband was editor of the "Weekly Underwriter" until his death, is now residing in Seattle, where she is serving as co-director of the "Universal Travel Directors," an institution that arranges for transportation in all sections of this country and abroad regardless of the means used in traveling. Mrs. Howell's address at Seattle is 865 Empire building, zone 4.

## DEATHS

### Veteran Iowa General Agent, Executive Dies

**L. E. Ellis**, 73, head of the L. E. Ellis & Co. agency, of Des Moines, died following a stroke.

Mr. Ellis completed 51 years in the business Feb. 13. He started out as a long-hand policy writer in 1895, leaving a bank job to go to Creston, Ia., as a stenographer and policy writer for Anchor Mutual Fire. The company was moved to Des Moines the same year. Seven years later he was elected secretary and in 1910 was named president.

A year or two prior to 1910, J. S. Clark and M. H. Kirkham purchased the interest of George Delmege, then president, in Anchor Mutual, Clark becoming president and Korkham secretary. In 1910 it was reorganized as a stock company and shortly afterward Mr. Ellis, S. G. Moore and G. A. Holland purchased the interest of Clark and Kirkham. At that time Ellis became president, Moore vice-president and Holland secretary.

In 1911, after one of the most bitterly

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contested insurance stockholders' battles ever staged in Iowa, Anchor Fire absorbed Atlas Fire of Des Moines, which had been in business for some years. Then followed a period of stormy insurance years in Iowa which only a few companies were able to survive. At that time there was no such thing as an advisory rate and the proper premium rate was left largely to the agent.

In 1914 Messrs. Ellis and Holland formed the general agency of Ellis & Holland, now known as the L. E. Ellis & Co. The following year the outstanding business of Anchor was reinsured with Northwestern Fire & Marine and an exclusive general agency program was adopted. The first year's premiums totaled \$80,000 as compared to close to \$1 million now.

**Bernard J. O'Reilly**, 59, president O'Reilly Realty & Insurance Corp. in Niagara Falls, N. Y., died there. He was a past president of the New York State Association of Real Estate Boards.

**W. G. McEnerny**, 50, New Orleans local agent, died there. He had been active in the New Orleans Insurance Exchange, and was a past president of the Young Men's Business Club.

**W. L. Baugh**, 71, owner of the Miller Insurance Agency, Miller, Mo., died there following a lingering illness.

**A. W. Howard**, veteran local agent at Anthony, Kan. died there. The agency is to be continued under the name of A. W. Howard & Sons and operated by his two sons, Wallace and Walton. Wallace recently returned from the service.

**Chas. T. Sackett**, former assistant western manager of American, died at Evanston hospital at the age of 81. He resided at Winnetka, Ill. Mr. Sackett had been in the insurance business 45 years when he retired in 1928. He was a native of Rockford, Ill., and joined the old Rockford Insurance Company in 1883. He was chief clerk of that company when it was purchased by American in 1899. He was named assistant manager in 1908. He had charge of underwriting the mercantile business.

**John C. McCaughern**, 69, for the past 20 years insurance director for the California Packing Corp. and for many years secretary of the Pacific Board, died in San Francisco after a short illness. He was one of the main speakers on insurance legislation at the recent meeting of the Fire Underwriters Association of the Pacific. His brother, Thomas McCaughern, is secretary of District B of the Pacific Board and a veteran member of that organization.

**Willard R. Noyes**, 74, Albion, Mich., local agent, former postmaster and city clerk, died after a 10 weeks' illness.

**Mrs. Mary Kralovec**, widow of J. M. Kralovec, who died 10 years ago and was founder of the class 1 agency in Chicago bearing his name, died at the age of 84. The J. M. Kralovec & Son agency is operated by George W. Kralovec, a son who is a director of National Reserve. Another son, Hugo J., is a Chicago broker. Two other sons have no interest in the insurance business. J. M. had been active in the business there since 1905.

**Thomas P. Martin**, 69, for 28 years a local agent at Fowler, Ind., died of a heart attack, after having been in ill health for a number of years.

**Edwin C. Apperson**, 75, founder and president for many years of Oregon Mutual Fire, died at his home at McMinville.

### Indiana Meetings Successful

Harry E. McClain, executive secretary Indiana Association of Insurance Agents, who, with Lynn Kidd, Brazil, association president, is holding a series of district meetings throughout the state, reports unprecedented interest in all districts, with average attendance 59% of total membership. This interest is attributed to the fact there are many vital issues at stake in the insurance business now and important legislation will be considered by the Indiana legislature which will convene in January.

### Insurance Not Featured at U. S. Chamber Parley

WASHINGTON—The usual annual insurance day at the meeting of the U. S. Chamber of Commerce will not be featured this year in view of the fact that the Hemispheric Insurance Conference at New York follows almost immediately after the chamber's annual meeting at Atlantic City. Insurance will, therefore, not be especially emphasized. The fire waste contest awards will be presented at one of the general luncheons Tuesday, April 30.

### Takes Ind. Case to High Court

Prudential has filed an appeal with the U. S. Supreme Court in its suit challenging the constitutionality of the discriminatory premium tax of Indiana. The state supreme court had held that the tax is valid.

### Des Moines Club Fire \$150,000

A fire which destroyed the Des Moines golf and country club April 14 is estimated to have cost \$150,000. Insurance on the building was \$63,000 and contents \$5,000. Club members are collecting on personal effects loss in fire under household policies.

## Convention Dates

April 24-26, Louisiana agents, annual, Monroe.

April 22, Ohio State Fire & Casualty Conference, Columbus.

April 23-24, Missouri Assn. Mutual Agents, Hotel Governor, Jefferson City.

Vermont Agents, regional, Bellows Falls.

April 27-28, Blanks Committee, N.A.I.C., Commodore Hotel, New York.

April 29-May 2, All-industry committee, Atlantic City.

April 29, Rhode Island Agents, midyear, Providence-Biltmore Hotel, Providence.

April 30-May 1, Western Underwriters Assn., Drake Hotel, Chicago.

May 7, Assn. of Casualty & Surety Executives, annual, Waldorf-Astoria Hotel, N. Y.

April 30-May 2, American Association of Insurance General Agents, Biltmore Hotel, Atlanta.

May 2, U. S. Chamber of Commerce, Claridge Hotel, Atlantic City.

May 3-5, North Carolina agents, Pinehurst.

May 6-7, New York Agents, Syracuse.

May 8-10, National Safety Conference, Washington.

May 3-5, North Carolina agents, annual, Pinehurst.

May 6-7, New York Agents, annual, Syracuse.

May 7-9, Pennsylvania Insurance Days, Bellevue-Stratford, Philadelphia.

May 14-15, Kansas Field groups, Wichita.

May 12-15, National Assn. of Insurance Agents, mid-year, Cincinnati.

May 14-15, Pacific Board, Sonoma Mission Inn.

May 14-17, Insurance Section, U. S. Chamber of Commerce, hemisphere conference, New York.

May 15-17, Insurance Accounting & Statistical Association, Baker Hotel, Dallas.

May 17-18, Arkansas Agents, annual, Hot Springs.

May 21, Vermont Agents, spring meeting, Burlington Country Club, Burlington.

May 22, S.E.U.A., annual, Cavalier Hotel, Virginia Beach.

May 20-21, Insurance Advertising Conference, Hotel Hershey, Hershey, Pa.

May 23, National Board, annual, Waldorf-Astoria, N. Y.

### N. H. By-Laws Are Denatured

A special meeting of the New Hampshire Association of Insurance Agents was held at Concord April 17 to act upon amendments to the constitution and by-laws to remove provisions that had been put under a cloud by the S.E.U.A. decision and public law 15. The requirement is deleted that a member of the state association must be a member of the local board in his town. Reference to agency limitation is erased and also authority is removed from the executive committee to investigate grievances and complaints and make disposition or recommendation of them.

### Wisconsin Mutual Rallies Scheduled for May

MILWAUKEE—A series of regional meetings in key cities has been arranged by the 1752 Club of Wisconsin jointly with the Wisconsin Federation of Mutual Insurance Companies for agents of federation companies the week of May 6. During the war years, regionals were held in spring and fall to conserve travel and hotel facilities, but with the emergency past, the annual fall general convention in Milwaukee will be resumed in October. The regionals proved so successful that they are being retained as a spring feature.

George Faulds, National Retailers Mutual, president 1752 Club, will preside at the regionals. H. Pleuss, Manitowish Mutual, federation head, will give the opening address. Other officers and directors as well as most of the mutual field men will make the circuit. The schedule includes Fond du Lac May 6, Stevens Point May 7, Eau Claire May 8, and La Crosse May 9.

Similar programs will be held in each city, starting with a cocktail hour and preceded by dinner. Speakers and topics will include a discussion on "The New Wisconsin Standard Fire Policy" by Theo. R. Schmidt, Kewaskum Mutual, federation secretary; "Comprehensive Personal Liability Policy" by Clarence Loverude, Iowa Mutual Liability; "Fire Prevention and Rate Makeup" by J. D. Green, Mill Owners of Iowa, and "The Reporting Form" by R. S. Barber, West Bend Mutual Fire.

### Bloys Finds Nippert Case Fortifies Prudential's Hand

John V. Bloys, assistant general counsel of Life Insurance Association of America, has written an article, "Sequel to the S.E.U.A. Case," which appears in the April issue of "Taxes," published by Commerce Clearing House.

Mr. Bloys discusses the Robertson case, dealing with the right of California to bar an unlicensed agent of a non-admitted company, and Prudential's South Carolina premium tax suit, both of which are pending before the U. S. Supreme Court, and the recently decided Nippert case, which denied the right of the city of Richmond to tax a salesman for an out-of-state manufacturer.

Of the Nippert case and its possible bearing on the two pending insurance cases Mr. Bloys writes:

"The majority opinion showed the court ready to be convinced of discrimination more easily than had been supposed. This readiness on the part of the majority to find discrimination seems to decrease the chances that the Benjamin (Prudential) decision might avoid passing of the main question of discrimination by the court's merely finding that no discrimination in fact had been proved."

"The Nippert case has several points of dissimilarity to Prudential vs. Benjamin; nevertheless, the language in the Nippert opinion as to discrimination materially strengthens the Prudential's case, so much so that it probably narrows the question to whether or not public law 15 validates discrimination. In deciding whether Congress can consent to discrimination against interstate commerce, the court will have no precedents on which to rule."

### E. V. Church Lays Aside Duties

Edward V. Church, who was for 23 years president of Arkwright Mutual Fire and for the past three years has been chairman, has now retired from active participation in business affairs. He will continue as a director, however.

He graduated from Massachusetts Institute of Technology in 1889 and joined the factory mutual association in 1892. In 1906 he became vice-president and engineer of Arkwright Mutual. He served in the first war as an army major and in 1920 was elected president of Arkwright Mutual.

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Insurance Company, Hartford, Conn.

1854

### The Connecticut

The Insurance Company, Hartford, Conn.

1880

### FOUTABLE

Fire & Marine Insurance Company

PROVIDENCE, R.I.

1899

ATLANTIC FIRE INSURANCE CO.

Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.

Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.

White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.

Minneapolis, Minn.

RELiance INS. CO. OF CANADA

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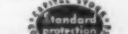
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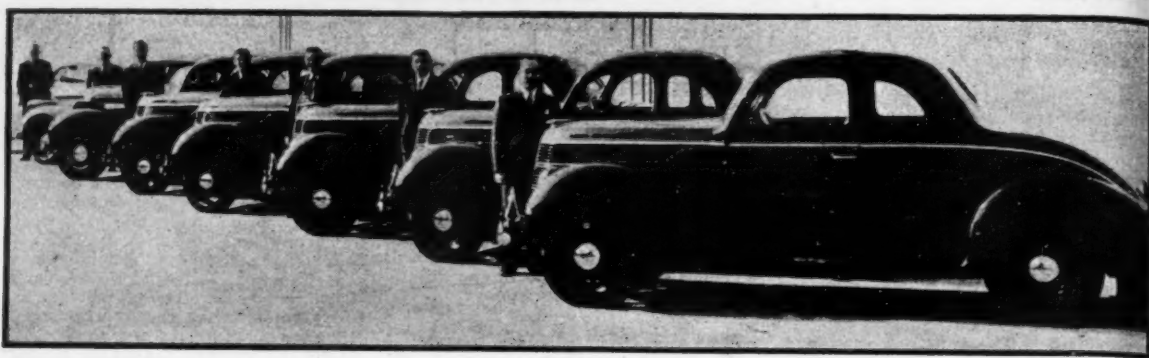
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## Stone Urges Laws Which Simply Call for Adequate Rates

Union League Speaker Raps Both Approval and Disapproval Ideas

In his talk before the insurance group of the Union League Club of Chicago this week, Edward C. Stone, U. S. manager of Employers Liability, strongly opposed the principle of prior approval



E. C. Stone

rate laws and spoke for laws which provide neither for prior approval or for subsequent disapproval within a certain time. He warned his audience that two important problems of regulation which must eventually be faced are those of commissions and interstate rates.

Mr. Stone reminded his audience that the courts have held repeatedly that insurance is a business affected with a public interest and also that the general theory behind all the federal laws which the Supreme court has held applicable to insurance, including the Sherman, Clayton, Robinson-Patman and Federal Trade Commission acts, is that there shall be "a free, honest, fair and full competition." Scarcely any business in the world is as competitive as that of insurance, and inevitably the chief competition will always be as to price. There will always be competition regarding service, but today there is little difference in the coverages written by different companies and uniformity of policies is increasing day by day. Consequently, Mr. Stone emphasized, fair competition must provide that no company is to be given undue advantages.

### Status of Independents

Pointing out that the Sherman and other federal laws which apply to the insurance business beginning in 1948 obviously make it illegal for two or more companies to combine through rating bureaus without authorization of some state law, Mr. Stone made the point that nothing in these federal laws applies to an independent company which makes its own rates. Despite this, practically all the legislative proposals require independent companies to file their rates for prior approval or subject to subsequent disapproval. Mr. Stone said that there is no legal necessity for this.

### Prior Approval vs. Disapproval

Admitting that rates charged for insurance are a matter of public interest, because the failure of an insurance company affects policyholders and claimants as well as stockholders, Mr. Stone maintained that the situation nevertheless can be met completely by merely requiring that independent companies charge rates which are adequate, reasonable and not unfairly discriminatory, giving the insurance commissioner authority, on his own initiative or upon complaint, to examine any rates filed by independent companies. This would preserve fair competition—the very thing which federal laws seek to maintain—but at the same time would provide

## SSB Won't Release Cal. Reserve Funds

Compulsory Health Plan, Therefore, Won't Go Into Effect Until in 1947

WASHINGTON—The social security board is expected to decide, on legal grounds, against the application of California officials for release of up to \$100 million or more reserve unemployment compensation funds built up in that state under the social security law. Release of the fund has been sought in order to start operations under the new California state health insurance plan this year.

The California law provided for deferring of benefit payments until 1947, to give an opportunity to build up a reserve, unless the federal funds should be released, in which case it would go into effect in 90 days after the receipt of those funds.

It is understood that this accumulated reserve is made up of employees' contributions under the unemployment compensation provisions of the social security act.

### Position Defined in 1938

SSB officials point out that in 1938 the board decided unemployment compensation did not include benefits on account of illness; also that the federal law requires that money contributed by employees for unemployment compensation can be drawn from the U. S. Treasury only for unemployment compensation benefits. The California application has been received by Ewen Clague, director of the SSB bureau of employment security, who is passing on to the board the official documents in the case, without recommendation, it is understood. SSB lawyers will advise the board on the legal aspects of the situation.

It is believed that SSB officials personally are favorably inclined towards the California application, as it is said the fund accumulated from employees' contributions for unemployment compensation in California is not needed for that purpose.

SSB is on record for health insurance and, it is believed would like to see it operating in California. However, the board lacks legal authority. Apparently the result will be that the California plan will not start operating before 1947, unless Congress does something about the matter in connection with its consideration of social security revision. California is reported trying to secure amendatory legislation here to accomplish the release of unemployment compensation employees' contribution funds.

Ten states have had employees' contribution reserves, but only four have them currently. Besides California these are Rhode Island, which already has in effect a system of cash sickness benefits; New Jersey, which has been considering some such plan, and Alabama.

vide safeguards against harmful or cut-throat competition.

Remarking that the prior approval theory has been pretty well abandoned, Mr. Stone pointed out that any such principle would be practically unworkable. The combined rate manuals would be almost as large as a Sears, Roebuck catalogue if put together and Mr. Stone asked what would happen to Sears, Roebuck & Co. if it had to get the consent of some state authority as to the price of every item in its catalogue before it could sell any goods.

Mr. Stone took the position that the subsequent disapproval theory, with the

(CONTINUED ON PAGE 35)

## Predicts Term Plan for Auto Cover Soon

Confidence is expressed by Roy A. Duffus of Rochester that the bureau companies shortly will take favorable action on the request of the N.A.I.A. that term policies be authorized for automobile third party coverage. He made the statement following a three-day session of the N.A.I.A. casualty subcommittee, of which he is chairman, with the National Bureau of Casualty & Surety Underwriters.

A variety of subjects was discussed and many of the proposals, he said, are scheduled for further study and consultation.

Mr. Duffus said the recently revised commercial car liability rates contain all the recommendations for changes that were made by the agents' committee. Also the changes effective Monday of this week in the garage liability rating plan correspond to the agent's recommendations.

### Subjects Were Divided

On the first day of the conference the session was devoted to general liability, comprehensive personal liability and other manual and policy revisions. The next day the subjects were changes in short rate tables, territorial limitations and burglary, and on the final day there was a review of automobile insurance.

The N.A.I.A. was represented also by A. H. Criddle of Philadelphia, Harvey R. Preston of Springfield, Mass., and Fagan H. Simonton of Wilmington.

## Premium Tax Snarl Discussed by Tye

Charles W. Tye, tax counsel for Maryland Casualty, has prepared an exhaustive article for the New York University law school on premium tax cases, with special emphasis on pending litigation involving discriminatory state premiums taxes.

It is Mr. Tye's conclusion that public law 15, thought to be the ideal vehicle for resolving the present premium tax conflict, leaves the tax situation in a "dilemma" as serious as that existing prior to its enactment.

It is his thought that the Supreme Court, under existing litigation, will uphold public law 15 as the proper exercise of Congressional power under the commerce clause; and, in so doing, will say that, at most, Congress was breaking its "silence" only for the purpose of enabling "police powers," and otherwise constitutional taxing powers of the states, to remain operative until such time as it chose to occupy the field exclusively.

It is regrettable, he states, that more clear cut constitutional issues will not be presented to the Supreme Court in the premium tax cases. Such an interpretation of public law 15 by the Supreme Court, he states, would not be a happy one for those states which, in reliance upon the assumed sanctioning power of Congress, refrained from enacting equalizing tax legislation, since they stand to lose very substantial tax revenues from foreign insurance companies. Nor would it be particularly satisfactory to the insurance companies since it can only mean protracted litigation, or in the words of Justice Jackson, "a generation of litigation," to determine the extent to which the states may now tax the insurance industry. That litigation will continue seems obvious, since the companies probably would have no alternative to protesting the payment of taxes under possibly invalid state laws.

## Garage Liability, Medical Payments Rules Revised

Medical Cover Now Open to All Classes; Other Manual Changes

NEW YORK—A new rating basis for garage liability coverage for dealers and repair shops and extension of medical payments insurance to all types of automobiles, including taxicabs, trucks, buses, garage risks and hired cars, are the most important changes in the automobile manual of the National Bureau of Casualty & Surety Underwriters. The new pages, which became effective in most states April 15, also incorporate the rate and rule changes announced during the past month, including the new truck rules and revised rates for most states.

The new rules are not effective in Illinois, Louisiana, North Carolina, Virginia, Massachusetts and Texas. In Kansas, the changes apply to all policies effective on or after April 15, while in the other states in which they went into force they apply to all policies written on or after April 15 and to all policies effective on or after May 1, regardless of when written.

### Three Payroll Classes

Under the new garage liability rules, the payroll for dealers and repair shops is divided into three classes. Class a consists of clerical office employees; class b includes officers, proprietors, partners, managers, salesmen, chauffeurs and all employees whose usual duties involve driving garage owned automobiles or picking up, delivering or road testing customers' automobiles, and class c takes in all other employees, which would include mechanics and others who do not drive or test cars.

This replaces the old method of a single charge on the overall payroll of the insured, without distinction. The rates applying to these three classifications, in most cases, are respectively, 10%, 125% and 40% of the former blanket payroll rates. For example, in territory 1 in Indiana (East Chicago), the old bodily injury liability payroll rate was \$1.30. Under the new schedule, class a employees take a rate of 13c, class b \$1.63 and class c 52c.

Minimum premiums for dealers and repair shops have been reprinted, incorporating the 40% reduction made during the war.

### Premium Gradation Plan

Schedule rating has been abolished for dealers and repair shops, on the theory that the new payroll division plan takes care of the differences in exposure due to the activities of the various classes of employees. Experience rating, however, remains for garages with an annual payroll of \$20,000 or more. There is also a premium gradation for dealers and repair shops with an annual payroll of more than \$40,000. For a payroll of \$41,000 there is a premium reduction of 1/2 of 1%, going up to 18% for a \$100,000 payroll and 40% on any payroll in excess of \$100,000. Experience rating is applied in addition to this gradation.

While it is believed that in general the new basis will produce approximately the same garage liability premiums as before, underwriters were unwilling to

(CONTINUED ON PAGE 31)

## A.M.A. Medical Plan Agency Is Incorporated

The first concrete step in the American Medical Association's announced intention to promote and coordinate state and local medical care plans came last week when Associated Medical Care Plans was granted incorporation in Illinois.

This new corporation is described by the A.M.A. as a national non-profit organization which will include all state and local medical care plans that comply with minimum standards approved by the council on medical service and public relations of the A.M.A. The incorporation authority grants the right to promote establishment and operation of such plans in the U. S. and Canada.

The first meeting of the commission of the new corporation will be held April 26-27 in Chicago to develop details of operations. These will be presented for approval at a meeting of corporation members scheduled for San Francisco during July.

### April Agenda

On the agenda of the April meeting is acceptance of application for membership and appointment of an executive director. Present plans call for the establishment of an office in the A.M.A. headquarters in Chicago.

Indications are that the corporation will establish an actuarial department to study methods, coverages, operations and actuarial data. The A.M.A. maintains, however, that the state and local plans will remain autonomous in operation and that there will be no move to consolidate financial resources on a national basis or to establish a reserve fund to help individual plans which run into unfavorable experience.

## Doctor's Attendance Is Not Condition Precedent in Tex.

In Texas, the provision in an A. & H. policy that the insured must be regularly attended at least once a week by a licensed physician, surgeon, chiropractor or osteopath is not a condition precedent to recovery but is only "evidentiary." Hence the Texas court of civil appeals in World of Omaha vs. Johnson said it is not required to pass on the question of whether a dental surgeon qualifies as a surgeon in the clause in question.

Charles L. Johnson was the assured. He was laid up for two months with sickness resulting from an impacted wisdom tooth.

### Meaning of "Surgeon"

World defended on the ground a dental surgeon is not such a surgeon as is contemplated in the limitation clause. The lower court gave a verdict for Johnson.

The higher court declared that World is proceeding on the mistaken assumption that the limitation is a condition precedent. The judgment of the lower court was affirmed.

Bennett & Klein of San Antonio represented World while G. Woodson Morris was attorney for Johnson.

## Gurney Cincinnati President

CINCINNATI—New officers of the Cincinnati Accident & Health Association are: C. L. Gurney, manager Mutual Benefit Health & Accident and United Benefit Life, president; Max Abrams, general agent Occidental Life, vice-president, and E. S. Sears, Mutual Benefit Health and Accident, secretary. The executive committee includes B. O. Stoner, Connecticut General, retiring president; W. A. Case, Inter-Ocean Casualty; W. R. Dignan, W. E. Lord Company; W. G. Dowd, Retail Credit Company; G. R. Hammerlein; W. A. Rudd, Inter-Ocean Casualty; J. T. Maloney, National Underwriter Company, and J. W. Scherr, Jr., Inter-Ocean Casualty.

## Independent's Manager Noted for Spade Work

Vestal Lemmon, whose appointment as manager of the National Association

of Independent Insurers was announced last week, is credited with contributing to the development of the standard automobile policy. Mr. Lemmon has been with the Texas department since 1935 and as casualty actuary headed the development of the Texas automobile and casualty rating system.

Mr. Lemmon has developed information for consideration by the industry, notably on a single limit automobile policy, and has been on the N.A.I.C. actuarial committee for improving rules and expense reporting forms.



Vestal Lemmon

## Finds Paralytic's Death Due to Accidental Means

The Michigan supreme court has affirmed the judgment of the trial court holding New York Life liable for double indemnity under four policies covering Edward B. McKenna, who, partially paralyzed for six years, suffered a hip fracture in a fall in the bathroom and who died four days after the leg was amputated because of a gangrenous condition.

The theory of New York Life was that death resulted from coronary thrombosis rather than from pulmonary embolism. There was much medical testimony both ways.

### Accident Was Sufficient

The supreme court said the evidence establishes that the accident with the sequelae of gangrene, amputation and pulmonary embolism was sufficient to cause the death and that bodily infirmity or disease was not a contributing cause to the death.

Miller & Knowles, Ralph E. Helper appeared for the beneficiary while Armstrong, Weadock, Essery & Helm, Richard G. Eubank were attorneys for New York Life.

## Revised Petition Is Filed for Oregon Auto Fund

A new petition, which is said to replace the previously-filed initiative to set up a monopolistic automobile accident and property damage compensation fund in Oregon, has been presented to Secretary of State Farrell. It was reported sponsors of the original initiative were withdrawing it in favor of the revised proposal, as the attorney general advised the first proposal was unconstitutional.

Premium for insurance would be \$25 per year and all motor vehicle operators would be required to secure the coverage before being granted a license. The premium would be reduced by \$3 per year until it reached a minimum of \$16, provided the insured had a clear accident record.

Instead of placing administration of the fund under the direction of the state compensation board, as required in the first proposal, the new measure would be administered by the secretary of state.

W. H. Downing, W. E. Richardson and A. E. Smith, all of Portland, filed both petitions.

## Va. Casualty Figures

Total premiums of casualty companies in Virginia in 1945 amounted to \$31,570,000, figures compiled by the Virginia department show. Losses totaled \$12,660,000, considerably above the preceding year. Payments for automobile property damage amounted to nearly \$2,700,000. Bodily injuries and deaths from motor accidents resulted in payments of \$2,821,000 by the carriers.

## O. K. Plans for Joint A. & H. Association in Los Angeles

LOS ANGELES—The recommendation of a special committee that it cooperate in forming an accident and health association which would include its members and those of the Accident & Health Producers Association of Southern California was adopted by the Accident & Health Managers Club of Los Angeles.

Walter G. Gastil, Connecticut General Life, chairman of the committee that conferred with a similar committee from the Producers Association, made the report. The committee's recommendations were summarized last week. President W. Kenneth Smith continued the same committee to meet with the producers' committee and carry out the recommendation. It consists of Mr. Gastil, chairman; P. H. Ackerman, Miller, Kuhrts & Cox; Wm. L. Thomas, Massachusetts Bonding; George Neale, National Casualty, and Charles A. Olsen, Cass & Johansing.

There was some discussion of the campaign the California Medical Association is starting in connection with the compulsory health insurance act passed by the special session of the legislature. The Medical Association plans a newspaper advertising campaign, as well as meetings, looking toward having its plan replace the present law.

Stanley Bissell, who is conducting the accident and health course at the University of California at Los Angeles, which is the same as the Purdue University course, told of its objectives. He said the course is intended not only for training in accident and health selling, but also to make life easier for the agent and make him a more valuable asset to the community.

## Nat'l Surety 24-Week Course for Field Men Nears Close

The 24-week training course for special agents of National Surety has been nearly completed. This is the first post-war class. The course is conducted at the New York University building in downtown New York. Instruction was given in technical phases of casualty, surety and marine as well as in selling techniques, and applications of advertising aids.

## Industrial Exhibits Shown

One thousand five hundred persons attended the 31st annual meeting of the American Association of Industrial Physicians & Surgeons and affiliated organizations at the Hotel Sherman, Chicago, last week.

Included in many interesting exhibits was a miniature factory hospital unit constructed by American Mutual Liability, three dimensional exhibit of the safety zone program of health and safety education of the Zurich companies, and a composite coverage display by the Blue Cross.

## Consider Columbus Accidents

D. K. Finley, manager of the Columbus Safety Council, addressed the Claims Club on the city's accident problems. Automobile fatalities have increased greatly this year.

## Cooperation Clause Is Declared Void

The California supreme court has held that when two insured in the same company are involved in an automobile collision, the company is not permitted to control the defenses of the two policyholders against their respective claims and compliance with the cooperation clause is excused.

In the case of O'Morrow v. Borad et al, CCH Cited 24 Automobile Cases, paragraph 710,614, O'Morrow was preparing to file suit for damages when Borad filed an action against him. While the companies, Firemen's and Metropolitan Casualty, were discussing how the situation was to be handled, O'Morrow went ahead with the defense of the Borad action and with his counterclaim, the actions being handled by his personal attorneys.

When the companies notified O'Morrow that they considered his action a breach of the cooperation clause, O'Morrow instituted an action against the companies for declaratory relief.

The court held that because the conflicting interests would be to the financial advantage of the companies to prove both parties guilty of negligence, compliance with the cooperation clause was excused, and the companies were liable for any judgment, cost of suit, and reasonable attorneys' fees which plaintiff might incur in defending himself. However, O'Morrow was required to pay his own costs for the suit seeking declaratory relief.

## Blue Cross Payments to Hospitals Total \$104,759,043

DES MOINES—A total of \$104,759,043 was paid to hospitals by Blue Cross plans for prepayment of hospital bills during 1945, C. Rufus Rorem, Chicago, director Blue Cross Commission, American Hospital Association, told the Iowa Hospital Association. More than \$100 million was received by hospitals in the United States from Blue Cross plans in 43 states and the District of Columbia, he said, and the balance by hospitals in seven Canadian provinces and Puerto Rico, from plans located there. Payments for members' care were \$31,000,000 greater than in 1944.

Total income for all plans in 1945 was \$128,737,659, with 81.37% going directly to hospitals for services to members. An additional \$8,160,537, 6.34%, was allocated to reserve for future hospitalization, making a total of 87.71% percent devoted to hospital care. Combined operating expenses were \$15,818,079, 12.29% of income, virtually identical with 1944's 12.30% of income devoted to operation of plans, Rorem said. Payments to hospitals covered care rendered on a service basis to more than 2,000,000 Blue Cross members, he stated.

## Purchases Columbus Building

Farm Bureau Mutual Automobile, affiliate of the Ohio Farm Bureau Federation, has purchased the Clinton building in Columbus opposite from its present building. There are five stories and a basement. This is the fourth office building purchased by the company.

## Wisconsin 1945 Casualty Leaders

	1945	1944	1943	1942	1941
Empl. Mutual Liab.	\$8,346,922	\$8,615,675	\$8,661,047	\$9,079,750	\$7,119,480
Hardware Mut. Cas.	2,508,533	2,261,590	2,034,153	2,032,139	1,940,625
Associated Hosp. Serv.	2,293,204	1,352,049	805,837	502,096	297,989
Farm Mut. Auto, Wis.	2,142,177	1,487,761	1,236,065	1,248,057	1,401,261
State Farm Mutual	1,659,928	1,107,574	805,115	693,301	530,339
Continental Cas.	1,533,939	1,377,683	1,301,431	1,140,150	1,112,049
National Cas.	286,989	278,863	195,239	199,683	208,545
Continental Assur.	137,823	106,074	25,367	18,884	10,937
Hartford A. & L.	1,388,202	1,194,190	1,111,598	1,062,178	964,783
Aetna Life	1,313,006	1,205,080	862,463	639,011	541,321
Aetna Casualty	834,914	690,998	621,953	684,741	616,343
General Cas., Wis.	1,214,352	946,624	875,856	902,407	1,038,771
Travelers	1,177,022	1,061,894	1,009,123	799,347	633,756
Travelers Indem.	1,055,954	777,173	905,081	851,048	756,611
Metropolitan Life	1,070,539	57,538	816,745	654,516	625,174
Travelers Indem.	1,055,954	777,173	905,081	851,048	756,611



# IOWA Casualty Net Premiums and Paid Losses in 1945

	Total Premiums and Losses	Auto. Liab. Premiums and Losses	Other Liab. Premiums and Losses	Work. Comp. Premiums and Losses	Fidel. Premiums and Losses	Surety Premiums and Losses	Plate Glass Premiums and Losses	Burg. Theft Premiums and Losses	P. D. & Coll. Premiums and Losses		Total Premiums and Losses	Auto. Liab. Premiums and Losses	Other Liab. Premiums and Losses	Work. Comp. Premiums and Losses	Fidel. Premiums and Losses	Surety Premiums and Losses	Plate Glass Premiums and Losses	Burg. Theft Premiums and Losses	P. D. & Coll. Premiums and Losses
Acc. & Cas. ....	10,660	1,718	1,344	4,045	846	76	340	646	863	Ill. Mut. Cas. ....	69,896	22,891	30						33,190
Aetna Cas. ....	241,752	34,182	30,097	57,331	47,385	20,656	6,249	25,325	19,684	Ia. Farm Mut. ....	1,403,381	393,637	36,742						19,406
Allied M. C. ....	966,579	242,446	50,095	18,914	2,581	106	2,671	4,409	5,558	Indem., N. A. ....	190,544	32,692	33,248	25,009	32,040	4,473	5,242	23,068	710,191
Allstate ....	323,362	68,659	6,724	24,189			283	1,749	163,533	Ia. Hard. M. C. ....	46,658	2,016	23,746	708			1,559	4,609	372,860
Amer. Auto. ....	22,131	12,859	3,861						9,271	Ia. Mut. Cas. ....	27,213	9,278	38						23,587
Amer. Cas. ....	6,312	3,861							2,451	Le Mars Mut. ....	5,211	2,695	1,935	182,577			1,770	256	10,001
Amer. Empl. ....	214,564	77,597	23,260	60,619			1,709	5,479	45,745	Liberty Mut. ....	104,961	30,509					1,213	39	8,988
Amer. Re. ....	71,193	17,773	1,478	24,240			902	688	26,091	Lond. Guar. ....	220,421	38,986	3,255	16,219			1,350	1,366	1,898
Am. Fmra. M. Au.	31,657	6,827	5,491	10,043	701	234	370	2,223	4,225	Lumb. M. C. Ill. ....	1,071,714	213,077	43,559	381,387			6,202	2,401	238,587
Amer. Guar. ....	11,605	2,711	564	4,117			176	830	3,169	M. & W. Ind. ....	415,962	34,549	1,355	18,539	258,766	18,902	146	1,743	296,079
Amer. Mot. ....	66,241	12,271	6,980	20,770	2,394	1,630	1,329	8,773	6,334	Mfrs. Cas. ....	194,961	30,509					1,213	39	153,894
Amer. Mut. ....	29,059	5,949	274	13,101	—48	160	913	1,601	2,379	Metro. Cas. ....	70,781	6,700					1,213	39	31,728
Amer. Mut. Liab.	76,974	41,439							29,354	Min. F. M. C. ....	310,102	6,732					146	1,743	10,273
Amer. Repub. ....	12,059	4,085							7,178	Mot. Veh. Cas. ....	165,717	3,511	3,414	155,818			419	421	2,973
Assoc. Indem. ....	3,121	—2							—1	Mutual Sur. ....	4,167	900	140	798	246	543	419	421	500
Bankers Ind. ....	66,674	1,002	15,916	33,445	949	7			13,738	Natl. Cas. ....	345						58	30	3,185
Bitum. Cas. ....	7,404	—135	48	6,872	14				603	Natl. Sur. ....	28,703	3,491	5,607	11,000			267	1,073	1,427
Car. & Gen. ....	80,079								57,349	New Amst. Cas. ....	15,903	123	35	7,623			267	1,073	1,427
Cas. Ind. Ex. ....	47,789								37,138	N. Y. Cas. ....	110,789	10,635	6,174	63,597	2,216	16	353	444	12,004
Cas. Rec. Ex. ....	227,285	7,817	13,211	174,596	6,060				10,193	N. A. Cas. & Sur	33,505	2,689					353	444	4,406
Celina M. C. ....	147,413	6,865	2,071	116,792	—329				86	Mo. Mut. Bond. ....	7,888	2,102	1,565						3,170
Century Ind. ....	16,303	490	1,444	3,285	5,182	4,335			976	N. W. Natl. Cas. ....	186								4,068
Columbia Cas. ....	—207				—13	—194				Ocean Acci. ....	595								
Commer. Cas. ....	19,559								5,390	Ohio Cas. ....	96,215	14,670	9,311	25,390	8,809	8,000	1,581	7,230	9,092
Conn. Ind. ....	13,526	5,909	2,197	4,186					829	Pac. Empl. ....	24,911	5,425	762	16,141	4	—8,828	491	2,963	6,159
Consol. Und. ....	15,130	1,266	244	2,176					11,650	Peerless Cas. ....	110,305	8,293	5,817	11,362	26,217	13,606	2,471	10,515	5,342
Cost. Cas. ....	264,672	9,546	10,526	13,565	111,591	96,966	2,513	14,425	5,596	Penn. Cas. ....	15,493	5,055		4,592	—1,789	—9,290	1,017	1,358	3,999
Excess ....	25,387	1,479	683	6,797	2,888	8,616	1,142	2,314	1,464	Phoenix Indem. ....	33,352								
Gen. States Mut. ....	68,018	16,260	1,932	12,753	718	19	849	429	23,887	Pioneer Natl. ....	3,892								
Gen. Sur. ....	33,801	3,888	337	9,825			312	116	14,662	Preferred Acc. ....	6,317	3,225	1,340						
Home Indem. ....	3,209	268	962	1,385			12	22	180	Prot. Indem. ....	1,517	1,079							
Home Mut. ....	450		202							Royal Indem. ....	57,064								
Howler Cas. ....	634		625		10					Sec. Mut. Cas. ....	643								
Ind. ....	750									Shelby Mut. Cas. ....	11,695	3,287	2,256	250	707	910	1,035	795	840
Int. ....	3,082	537	405	1,400					198	Stand. S. & C. ....	2,199								1,222
Liab. ....	793								49	State Auto ....	227	68							115
Liab. & Gen. ....	506,108	10,485	39,572	430,002					25,164	St. P.-Mer. Ind. ....	149,639								71,571
Liab. Ex. ....	229,315	6,297	2,933	201,931					18,512	Seaboard Sur. ....	66,213	18,985	340						33,502
Liab. Rec. Ex. ....	1,306	381	74	82					229	Sec. Mut. Cas. ....	67,646								
Liab. Sur. ....	132								20	Shelby Mut. Cas. ....	1,268								
Liab. & Sur. ....	137									Stand. Acc. ....	43,313	3,854	2,003	5,078	900	1,283	1,083	1,281	3,346
Liab. & Sur. ....	36,418	15,188	734	13,043					11	Standard S. & C. ....	34,911	558	695	2,013			503	84	1,354
Liab. & Sur. ....	17,418	2,474		4,916					10,445	Standard S. & C. ....	133,407	555	486	8,922	60,100	33,681	1,020	22,345	286
Liab. & Sur. ....	7,703	1,790	250						2,809	State Auto ....	16,084								34
Liab. & Sur. ....	4,082	67							2,503	State Auto ....	112,741	1,986	13,002	77,486	3,946	5,839	281	3,274	6,070
Liab. & Sur. ....	130,404	20,104							48,126	State Auto ....	17,346	25		14,579	—186	80	107	679	2,082
Liab. & Sur. ....	52,936	3,745							24,450	State Auto ....	26,872	3,881	1,682	1,054	7,164	9,027	290	1,408	2,362
Liab. & Sur. ....	108,029	14,516							17,080	State Auto ....	2,291	7		21	103	—24	270	564	1,349
Liab. & Sur. ....	35,858	844	556	22,326	1,606				8,611	State Auto ....	171	1	9	158					3
Liab. & Sur. ....	16,729	2,509	1,573	2,967	2,184	2,339	319	2,621	1,798	State Auto ....									
Liab. & Sur. ....	—168	360			—2,842	24	24	1,355		State Auto ....									
Liab. & Sur. ....	61,808	4,909	8,754	22,605	3,369	1,492	2,379	4,360		State Auto ....									
Liab. & Sur. ....	18,937	5	387	12,798	12	—135	889	258	1,480	State Auto ....									
Liab. & Sur. ....	35,045	5,988	3,771	143	3,987	733	1,586	1,981	750	State Auto ....									
Liab. & Sur. ....	8,361	1,305	388	41			972	62	103	State Auto ....									
Liab. & Sur. ....	9,941	5,476	835				226	596	2,807	State Auto ....									
Liab. & Sur. ....	2,581	696					173	1,712		State Auto ....									
Liab. & Sur. ....	5,478	1,639	153	865			2,231		1,319	State Auto ....									
Liab. & Sur. ....	6,380	4,689		12			1,319			State Auto ....									
Liab. & Sur. ....	601,823	51,012	22,066	83,409	16,137	17,734	4,211	13,880	24,444	State Auto ....									
Liab. & Sur. ....	265,051	24,980	4,052	41,538	3,462		1,502	1,331	19,189	State Auto ....									
Liab. & Sur. ....	67,648	9,832	9,075	25,143	8,111	3,125	2,562	5,873	6,240	State Auto ....									
Liab. & Sur. ....	15,303	2,464	652	8,374			780	1,227	1,731	State Auto ....									
Liab. & Sur. ....	37,013	10,857	4						16,963	State Auto ....									
Liab. & Sur. ....	12,387	1,563							8,177	State Auto ....									
Liab. & Sur. ....	126,496	16,148	15,403	61,888	4,915	1,832	2,339	4,332	11,806	State Auto ....									
Liab. & Sur. ....	54,447	7,329	5,981	29,246	341	798	779	322	5,975	State Auto ....									
Liab. & Sur. ....	1,581,526	256,674	110,900	730,313	6,187	38,066	8,611	16,627	270,728	State Auto ....									
Liab. & Sur. ....	728,138	103,353	24,825	394,198	115	22	4,033	3,555	15,730	State Auto ....									
Liab. & Sur. ....	386,649	13,255	35,552	310,937	413		305	529	25,636	State Auto ....									
Liab. & Sur. ....	188,225	4,937	7,459	158,585			111		17,130	State Auto ....									
Liab. & Sur. ....	165,962	73,818	12,947	30,444	7,788	10,848	50	4,318	3,107	State Auto ....									
Liab. & Sur. ....	16,930	5,766		1,296	32				173	State Auto ....									
Liab. & Sur. ....	57,267	8,294	5,437	2,102	13,252	7,137	10,161	3,269		State Auto ....									
Liab. & Sur. ....	11,965	696		314	930	80			488	State Auto ....									
Liab. & Sur. ....	11,290	5,826		1,212	1,915	259			2,014	State Auto ....									
Liab. & Sur. ....	610	600								State Auto ....									
Liab. & Sur. ....	247,180	17,092	546						119										

(CONT FROM PRECEDING PAGE)										
	Auto. Liab. and Losses	Other Liab. and Losses	Work. Comp. and Losses	Fidel. Premia	Surety Premia	Plate Glass Premia	Burg. Theft Premia	P. D. & Coll. Premia		
West. Natl. Ind.	2,890	127	614	727	45	552	142	76		
Western Sur.	100,445	259	125	13	15,713	98,732				
Yorkshire Ind.	19,318	2,533	366	99	12,671	1,785	79	378		
Zurich	156,294	27,020	9,112	52,747	265	10	42	6	1,089	
	96,932	15,563	120	31,468			343	220	15,844	
1945 1944										
Total Premia	\$27,147,146*	\$24,420,706								
Total Losses	10,827,939*	9,203,542								
Auto B. I. Premia	4,322,025	3,929,332								
1945 1944										
Auto B. I. Losses										
Other Liab. Premia	\$ 1,142,633	\$ 975,062								

## Our 6-in-1 Policy for Broadened Insurance under the



Our 6-in-1 Automobile Policy protects against the six principal hazards facing car owners: FIRE, THEFT, COLLISION, BODILY INJURY, PROPERTY DAMAGE, and MEDICAL EXPENSE. Only one premium for all coverages — one amount that can be included in the financing under the Bank and Agent Auto Plan. It simplifies the plan.

The 6-in-1 Policy is featured in our advertisement appearing in March and April issues of general, business and banking magazines.

For information and selling suggestions, address: Manager, Agency & Production Dept., American Surety Group, 100 Broadway, New York 5, N. Y.



**AMERICAN SURETY COMPANY**  
**NEW YORK CASUALTY COMPANY**  
**SURETY FIRE INSURANCE COMPANY**

100 Broadway, New York 5

DEPENDABLE AS AMERICA

1945		1944		STEAM BOILER & MACHINERY	
	Net		Net	Net Paid	Net Paid
Other Liab. Losses	158,818	117,781			
W. C. Premia	4,504,505	4,046,682			
W. C. Losses	2,134,387	1,883,153			
Fid.-Sur. Premia	886,447	\$ 1,383,388			
Fid.-Sur. Losses	19,492	—24,518			
Glass Premia	148,183	138,218			
Glass Losses	59,016	54,647			
Burg. Premia	543,199	\$ 412,319			
Burg. Losses	91,171	38,198			
P. D.-Coll. Premia	4,992,582	4,257,657			
P. D.-Coll. Losses	2,714,346	1,923,621			
*Includes classes shown below and fire, theft, etc., of full cover auto insurers, and fire, wind, etc., for Home Mutual, LeMars Mutual, Mutual Fire & Tornado, Maplecrest Mutual and United Mutual.					

### ACCIDENT & HEALTH

	Net	Net Paid		Net	Net Paid
Acci. & Cas.	179	74	Aetna Cas.	179	74
Aetna Cas.	162		Aetna Life	341,417	254,009
Alliance Life	7,389		Amer. Auto.	152	19
Amer. Auto.	152	19	Amer. Cas.	1,549	37
Amer. Cas.	1,549	37	Amer. Empl.	3,014	1,148
Amer. Empl.	3,014	1,148	Amer. Mot.	15	
Amer. Mut. Lia.	14,439	17,614	Amer. Mut. Lia.	14,439	17,614
Amer. Re.	119		Amer. Republic	90,978	18,728
Amer. Republic	90,978	18,728	Amer. States	863	
Amer. States	863		Anchor Cas.	230	28
Anchor Cas.	230	28	Assoc. Hosp.	296,609	208,547
Assoc. Hosp.	296,609	208,547	Bankers Life, Ia.	15,005	5,511
Bankers Life, Ia.	15,005	5,511	Benefit Assn. Ry. Empl.	187,034	114,954
Benefit Assn. Ry. Empl.	187,034	114,954	B. M. A.	159,046	81,021
B. M. A.	159,046	81,021	Celina Mut. Cas.	74	37
Celina Mut. Cas.	74	37	Central Surety	521	
Central Surety	521		Century Indem.	326	
Century Indem.	326		Columbia Cas.	2,358	1,661
Columbia Cas.	2,358	1,661	Columbia Mut. Life.	7,491	2,400
Columbia Mut. Life.	7,491	2,400	Columbian Natl. Life.	7,180	885
Columbian Natl. Life.	7,180	885	Combined Cas.	194,886	43,976
Combined Cas.	194,886	43,976	Commercial Cas.	16,123	5,488
Commercial Cas.	16,123	5,488	Conn. Gen. Life.	51,316	24,512
Conn. Gen. Life.	51,316	24,512	Continental Assur.	72,576	75,385
Continental Assur.	72,576	75,385	Continental Cas.	425,207	165,503
Continental Cas.	425,207	165,503	Craftsman	30,236	14,406
Craftsman	30,236	14,406	Eagle Indemnity	338	72
Eagle Indemnity	338	72	Economy Auto	1	
Economy Auto	1		Employers Liab.	6,725	3,584
Employers Liab.	6,725	3,584	Empl. Mut. Benefit.	9,648	4,213
Empl. Mut. Benefit.	9,648	4,213	Empl. Mut. Cas.	33,209	7,754
Empl. Mut. Cas.	33,209	7,754	Employers Re. & A.	22,055	9,562
Employers Re. & A.	22,055	9,562	Equitable Society	368,476	303,614
Equitable Society	368,476	303,614	Eur. General Re.	6,782	8,565
Eur. General Re.	6,782	8,565	Federal Life	108,549	34,601
Federal Life	108,549	34,601	Federal Life & Cas.	1,349	1,013
Federal Life & Cas.	1,349	1,013	F. & C.	14,067	3,519
F. & C.	14,067	3,519	Fidelity H. & A. Mut.	1,780	699
Fidelity H. & A. Mut.	1,780	699	Fireman's Fund Ind.	—366	361
Fireman's Fund Ind.	—366	361	Franklin Life	3,890	1,873
Franklin Life	3,890	1,873	General Acc.	10,857	1,528
General Acc.	10,857	1,528	Great Amer. Ind.	1,528	23
Great Amer. Ind.	1,528	23	Gen. Amer. Life	3,911	3,679
Gen. Amer. Life	3,911	3,679	General Cas. Wash.	4	
General Cas. Wash.	4		Gen. Cas. Wis.	58,269	17,264
Gen. Cas. Wis.	58,269	17,264	General Re.	9,446	1,001
General Re.	9,446	1,001	Glen Falls Indem.	—653	2,847
Glen Falls Indem.	—653	2,847	Globe Indem.	2,157	97
Globe Indem.	2,157	97	Great No. Life	85,023	15,212
Great No. Life	85,023	15,212	Hardware Mut. Cas.	456	
Hardware Mut. Cas.	456		Hartford A. & I.	17,055	1,940
Hartford A. & I.	17,055	1,940	Hawkeye Cas.	1,474	
Hawkeye Cas.	1,474		Home Indem.	112	
Home Indem.	112		Hoosier Cas.	20,152	7,055
Hoosier Cas.	20,152	7,055	Ill. Bankers Life	12,903	3,721
Ill. Bankers Life	12,903	3,721	Indemnity of N. A.	11,932	1,332
Indemnity of N. A.	11,932	1,332	Inter-Ocean Cas.	1,469	23
Inter-Ocean Cas.	1,469	23	Inter-State B. M. A.	86,948	32,049
Inter-State B. M. A.	86,948	32,049	John Hancock	151,208	103,849
John Hancock	151,208	103,849	London Guar. & Acc.	1,533	
London Guar. & Acc.	1,533		Lond. & Lanc. Ind.	198	121
Lond. & Lanc. Ind.	198	121	Loyal Prot. Life	54,750	14,239
Loyal Prot. Life	54,750	14,239	Lumb. Mut. Cas. Ill.	946	
Lumb. Mut. Cas. Ill.	946		Maryland Cas.	7,920	1,343
Maryland Cas.	7,920	1,343	Mass. Bonding	26,584	8,564
Mass. Bonding	26,584	8,564	Mass. Indem.	1,488	206
Mass. Indem.	1,488	206	Mass. Protective	349,596	154,480
Mass. Protective	349,596	154,480	Merchants Indem.	125	
Merchants Indem.	125		Metropolitan Cas.	1,575	271
Metropolitan Cas.	1,575	271	Metropolitan Life	232,609	142,133
Metropolitan Life	232,609	142,133	Midwest Life	8,416	1,423
Midwest Life	8,416	1,423	Monarch Life	135,534	44,729
Monarch Life	135,534	44,729	Motor Veh. Cas.	35	
Motor Veh. Cas.	35		Mut. Benefit H. & A.	1,119,672	566,576
Mut. Benefit H. & A.	1,119,672	566,576	Mutual Savings Life	3	1
Mutual Savings Life	3	1	National Cas.	25,417	19,702
National Cas.	25,417	19,702	Natl. Travelers Cas.	246,166	83,040
Natl. Travelers Cas.	246,166	83,040	New Amst. Cas.	256	
New Amst. Cas.	256		No. Amer. Acc.	166,649	58,490
No. Amer. Acc.	166,649	58,490	Northern Life	40,147	7,915
Northern Life	40,147	7,915	Occidental Life	86,016	62,220
Occidental Life	86,016	62,220	Ocean Acc. & Guar.	796	966
Ocean Acc. & Guar.	796	966	Ohio Cas.	9,156	1,612
Ohio Cas.	9,156	1,612	Old Line Life	2,442	1,199
Old Line Life	2,442	1,199	Pacific Mut. Life	69,764	51,154
Pacific Mut. Life	69,764	51,154	Paul Revere	147,871	70,439
Paul Revere	147,871	70,439	Phoenix Indem.	1,048	396
Phoenix Indem.	1,048	396	Pioneer Natl. Cas.	5,271	2,133
Pioneer Natl. Cas.	5,271	2,133	Postal Life & Cas.	25,367	7,779
Postal Life & Cas.	25,367	7,779	Preferred Acc.	15,503	5,054
Preferred Acc.	15,503	5,054	Protective H. & A.	9,298	1,404
Protective H. & A.	9,298	1,404	Protective Indem.	447	
Protective Indem.	447		Provident L. & A.	100,228	40,885
Provident L. & A.	100,228	40,885	Prudential	137,395	71,008
Prudential	137,395	71,008	Reliance Life	1,591	35
Reliance Life	1,591	35	Royal Indem.	1,420	45
Royal Indem.	1,420	45	St. Paul Merc. Indem.	1,296	22
St. Paul Merc. Indem.	1,296	22	Sentinel	5,353	1,650
Sentinel	5,353	1,650	Shelby Mut. Cas.	108	
Shelby Mut. Cas.	108		Standard Acc.	4,987	1,202
Standard Acc.	4,987	1,202	State Auto, Ia.	27,542	9,711
State Auto, Ia.	27,542	9,711	Sun Indemnity	—2,053	76
Sun Indemnity	—2,053	76	Travelers	773,636	442,893
Travelers	773,636	442,893	United Benefit Life	57,176	12,091
United Benefit Life	57,176	12,091	United Natl. Indem.	82	
United Natl. Indem.	82		U. S. Casualty	972	7
U. S. Casualty	972	7	U. S. F. & G.	14,226	3,250
U. S. F. & G.	14,226	3,250	Washington Natl.	234,338	87,185
Washington Natl.	234,338	87,185	Western Cas. & Sur.	858	217
Western Cas. & Sur.	858	217	Western Natl. Indem.	606	121
Western Natl. Indem.	606	121	Woodmen Acc.	157,751	55,240
Woodmen Acc.	157,751	55,240	World	57,092	15,228
World	57,092	15,228	Yorkshire Indem.	12	
Yorkshire Indem.	12		Zurich	39,003	32,971
Zurich	39,003	32,971			

B. M. A.	189,046	81,021			
Celina Mut. Cas.	74	37			
Central Surety	521				
Century Indem.	326		Amer. Credit Indem.	\$ 7,087	
Columbia Cas.	2,358	1,661	European Gen. Re.	432	
Columbia Mut. Life.	7,491	2,400	Totals	\$ 7,087	
Columbian Natl. Life.	7,180	885	1944	6,615	
Combined Cas.	194,886	43,976			
Commercial Cas.	16,123	5,488			
Conn. Gen. Life.	51,316	24,512			
Continental Assur.	72,576	75,385			
Continental Cas.	425,207	165,503			



# BITUMINOUS CASUALTY CORPORATION

ROCK ISLAND ILLINOIS

## FINANCIAL STATEMENT

December 31, 1945

### ASSETS

<b>BONDS—(Amortized Values):</b>	
United States Government.....	\$11,312,592.02*
Political Subdivisions of States.....	53,204.95
Railroad .....	24,023.71
<b>TOTAL BONDS .....</b>	<b>\$11,389,820.68**</b>
<b>STOCKS—(Market Values):</b>	
Preferred—Railroad—Public Utility, Industrial and Miscellaneous.....	\$ 265,320.00
Common—Railroad—Public Utility, Industrial and Miscellaneous.....	617,600.00
<b>TOTAL STOCKS .....</b>	<b>882,920.00</b>
Investment in Bituminous Fire and Marine Insurance Company.....	350,000.00
Cash .....	1,619,484.04
Premiums in Course of Collection—Less than 90 days due.....	552,458.87
Accrued Interest on Bonds.....	29,783.23

**TOTAL ADMITTED ASSETS .....** **\$14,824,466.82**

### LIABILITIES

Reserve for Claims.....	\$ 7,715,861.50
Reserve for Unearned Premiums.....	2,800,360.08
Reserve for Taxes and Reinsurance.....	819,112.45
Reserve for Commissions and Other Expenses.....	503,678.98
Other Liabilities .....	125,970.42

**TOTAL LIABILITIES .....** **\$11,964,983.43**

Capital .....	\$ 1,000,000.00
Surplus .....	1,000,000.00
Voluntary Contingency Reserve.....	859,483.39

**SURPLUS AS REGARDS POLICYHOLDERS.....** **2,859,483.39**

**TOTAL LIABILITIES, CAPITAL AND SURPLUS.....** **\$14,824,466.82**

\*United States Government Bonds carried at \$367,469.30 in the above statement are deposited as required by law.

\*\*Market value of bonds \$343,646.59 in excess of above amortized value.

United States Government Bonds and Cash represent more than 85% of the Total Admitted Assets.

## BITUMINOUS FIRE AND MARINE INSURANCE COMPANY

### FINANCIAL STATEMENT

December 31, 1945

### ASSETS

United States Government Bonds (amortized values).....	\$340,087.87*
Cash .....	18,763.06
Agents' Balances not over 90 days due.....	15,006.46
Accrued Interest on Bonds.....	1,032.29
Other Assets .....	13,169.93

**TOTAL ADMITTED ASSETS.....** **\$388,059.61**

### LIABILITIES

Reserve for Claims.....	\$ 8,597.98
Reserve for Unearned Premiums.....	25,159.08
Reserve for Taxes and Expenses.....	2,978.47

Capital .....	\$200,000.00	\$ 36,735.53
Surplus .....	100,000.00	
Voluntary Contingency Reserve.....	51,324.08	

**SURPLUS AS REGARDS POLICYHOLDERS.....** **351,324.08**

**TOTAL LIABILITIES, CAPITAL AND SURPLUS.....** **\$388,059.61**

\*United States Government Bonds carried at \$240,087.87 in the above statement are deposited as required by law.

Market value of bonds \$4,712.13 in excess of above amortized value.

## Tips for Returning G. I. at Twin City Sales Congress

A particularly effective presentation of the problems of the personal producer, given by a panel of agents who have demonstrated their ability in the sales field, featured the sales congress in St. Paul conducted by the Twin City Accident & Health Club.

Injecting a new but very timely angle for discussions of this sort, Phil Hagert, North American Life & Casualty, Minneapolis, took up the problems of the returning G. I. who is entering the accident and health field, including his attitude toward the job, knowledge required and methods of obtaining contacts. Ed Moeller, North American Life & Casualty, St. Paul, discussed prospecting; William Kidd, Massachusetts Protective, the approach; Tom Shaver, St. Paul Hospital & Life, the sales interview; Frank Wheley, Reliance Life, answering objections; George W. Marshfield, American Farmers Mutual, St. Paul, closing, and Harvey H. Borowski, Great Northern Life, the agent's part in the selection of risks.

### Altermatt Directs Discussion

Archie A. Altermatt, Monarch Life, Minneapolis, former director of his company's western training school, was moderator, directing the turn the discussions were to take and asking questions to bring out salient points under each of the topics considered.

The congress was fully as successful as the two which have preceded it, both of which have helped to establish the reputation of the Twin City club as a live wire organization. There were about 150 in attendance.

Conrad J. Eliason, Monarch Life, president of the club, who opened the congress, said its primary purpose was to help accident and health men to write more business and of a higher type. He emphasized that the business is steadily being put on a higher plane, with better service and more complete protection.

### Show Buyer What He's Getting

Richard Purcell, deputy insurance commissioner of Minnesota, substituting for Commissioner Johnson, who had been called away to attend an N.A.I.C. committee meeting, after stressing the importance of accident and health insurance as meeting a general need, took up the question of complaints to the insurance department and said that prob-

ably 85% of them are due not to the policy itself nor the way the claims are paid but to the fact that the policyholder does not know what coverage he has. He said that the agent in selling the policy must make a determined effort to see that the buyer does know, explaining the limitations as well as the attractive features.

Mr. Purcell, who has just returned from service, said he could notice a material improvement in this respect during the time when he had been away and expressed the belief that the qualification law and the requirement for examination of agents has had an important effect.

### Planned vs. "Canned" Selling

In speaking on "Planned Selling," A. Herbert Nelson, state manager of Business Men's Assurance, distinguished between "canned selling" and planned selling. He favors having the agent learn a talk, but not recite it. He gave a number of suggested approaches to meet different situations and also three sales talks which have been used with success.

Robert J. Costigan, president National Association of Accident & Health Underwriters, gave his usual dynamic review of the progress the association is making, the reasons why everyone in the accident and health business should be a member, and then swung into a presentation of sales ideas which he has used successfully in his long experience in the business.

He announced that the accident and health course at Purdue University will continue despite the recent death of the director, Mansur B. Oakes, to whom he paid high tribute. He said that applications for both of the next two sessions are in excess of the number that can be accommodated.

Governor Thye of Minnesota, the luncheon speaker, spoke very strongly of the value of insurance and urged that salesmen be persistent, to break down the natural resistance of their prospects. He said that the reason he himself had waited as long as he did to arrange a well-rounded insurance program was that he had not been pressed sufficiently to make a decision along that line before he did.

He took up the part that insurance men can take in holding the line on in-

flation. He advised returning veterans against hasty purchase of real estate at the present excessive prices and said that they are likely to undertake obligations which would be difficult to carry out when the present price levels recede.

## Wis. Commission Reports Results of New Safety Law

MADISON, WIS.—Of the motorists who reported accidents to the Wisconsin state motor vehicle department in the first three months this year, 80% also filed evidence of having insurance at the time of the accident, Commissioner Marcus announced. There were 15,930 reports filed between Jan. 1 and April 1. Of this number, 12,750 carried statements showing insurance was in force. Wisconsin's new safety responsibility law became effective Jan. 1.

### Many Suspensions Ordered

The department has issued advance notice of suspension of driving privileges to 602 persons and ordered surrender of drivers' licenses and registration plates of 347 since Jan. 1. In 100 accident cases, persons involved have settled damages and filed releases. Others who were unable to settle damages or felt they were not negligent in the accidents have deposited \$9,568 cash and \$1,386 securities with the department.

### Public Airport Liability

AUSTIN—A Texas statute, which absolves cities and counties for liability for injuries to persons caused by negligence of their agents or employees when the cities engage in proprietary business, has been declared unconstitutional by the El Paso appellate court, and the opinion sustained by the Texas supreme court.

The court pointed out that the operation of an airport, whether by a city, a county, or a state, is a proprietary rather than a governmental function and that the city, county or state was therefore liable.

Attorney General Sellers ruled that county commissioners have the right to carry personal and public insurance in connection with the operation of a county airport.

### Merrick Washington Speaker

Wayne Merrick, manager claims bureau Association of Casualty & Surety Executives, spoke at the Insurance Club of Washington April meeting this week on "Fraudulent Claims."

## Observes 45 Years with Travelers

April 15 marked the 45th anniversary of Maj. Howard A. Giddings, vice-president of Travelers, with that organization. Ill health has forced Major Giddings to remain away from his office for the last few months and congratulatory messages from associates in Travelers home office and field force and from his many acquaintances in the insurance business were sent to his home at 182 Fern street, West Hartford.

Actively engaged in the insurance business more than 59 years, he started as an office boy in Connecticut Mutual Life in 1887. After 14 years with that company he became associated with Travelers in 1901 as a special agent and was immediately assigned to the development of the company's liability insurance business. Twenty-six years after he joined the company he was elected vice-president.

### Responsible for School

Travelers home office school for field men and agents, the first in the country, was established at the suggestion of Major Giddings, who during a business trip to Dayton, O., had heard about the training courses given by National Cash Register Co. for its salesmen. Deciding the idea could be adapted advantageously to the insurance business, he made the suggestion to Sylvester G. Dunham, then president of the company, on his return and the school was opened in 1903.

Major Giddings' principal interest aside from business has been in military affairs. Rising through the ranks of the national guard to become a major, he has written several military handbooks and magazine articles on military matters and the out-of-doors. He is a fellow of the Royal Geographical Society of London, of the Explorers Club of New York and of the Authors Club of London. Two of his recent articles have dealt with vocational counseling for war veterans and the recruiting of veterans by the companies.

He is a native of Hartford, of colonial and Puritan ancestry.

## Benbrook Succeeds Lemmon in Texas Department

AUSTIN—Paul Benbrook, assistant actuary of the Texas casualty department, has been named casualty actuary to succeed Vestal Lemmon effective July 1. Mr. Lemmon will go to Chicago to become manager of the National Association of Independent Insurers.

Mr. Benbrook was graduated from the University of Texas and during the school term 1937-38 he was an instructor at the University of Texas and West Texas State Teachers College.

He started with the Texas department in the automobile rating division in 1938 and in 1939 he went with Cravens, Dargan & Co. in Houston, Texas. Upon his return to the department in 1941, he was made assistant director of the automobile division. In 1942 he was promoted to director of the automobile section.

Mr. Benbrook served in the navy in 1944 and 1945. Recently he was placed on inactive duty status with the rank of lieutenant. Upon rejoining the department in February he was advanced to assistant actuary.

### Ferguson in Payroll Audit Field

Ferguson Personnel of Chicago, which specializes in insurance placement work, has now organized a payroll audit department. Ferguson Personnel will undertake to help the companies with their overloads of payroll auditing work, such as scattered audits that require unusual traveling and also when there is a congestion of payroll auditing work to be done. Guy Ferguson points out that by assigning such overloads to an independent firm, the regular routine of the company payroll audit department can be maintained.

## PACIFIC EMPLOYERS INSURANCE COMPANY

VICTOR MONTGOMERY, President

*A Capital Stock Casualty Insurer*

### TO PRODUCERS:

WE'RE OBSERVING A COMPANY "CENTENNIAL."  
NO, WE'RE NOT 100 YEARS OLD — BUT IN LESS  
THAN A QUARTER CENTURY, YOU HAVE PUT OVER  
\$100 MILLION NET PREMIUMS ON OUR BOOKS.  
THANKS MILLIONS!

PACIFIC EMPLOYERS

HOME OFFICE: 1033 SOUTH HOPE STREET, LOS ANGELES - 15





*Insure Against*

**BURGLARS**

**THIEVES**

**ROBBERS**

**Protect Your Family  
at Home and Away**

*Ask us about this  
Low Cost Insurance Policy*

**THE TRAVELERS INDEMNITY COMPANY**

**HARTFORD, CONNECTICUT**



## Lumbermen's Mutual Explains New Auto Farm Agency Plan

There has been considerable discussion in automobile insurance circles recently over Lumbermen's Mutual Casualty's new agency arrangements for automobile insurance in rural areas in some states. The company is offering producers a commission on new business considerably higher than the usual scale, but a very small renewal commission. Policy writing, premium collection, renewals and other detail work will be handled by company offices and policies will be written for six months. The arrangement is similar to that used by several companies which have built up a large volume of rural automobile business.

The plan has been offered to established agents of the company for automobile business only, with ownership of expirations reserved to the agent. New agents, however, are being appointed in these areas with an agreement that Lumbermen's Mutual Casualty owns and controls the business. It is understood that established agents in rural areas who do not wish to use the new plan are being offered representation of an affiliated carrier for automobile business only, retaining Lumbermen's Mutual Casualty for other lines.

### Statement of President

In answer to fears expressed by leaders of state mutual agents associations that this may be the first step toward direct writing, H. G. Kemper, president of the company, issued the following statement:

"Ever since we went on an agency basis exclusively, our competitors have from time to time endeavored to start rumors that in just a few years, after the agent had introduced the company to his clients, we would switch to a direct

writing basis. It is not surprising, therefore, that we again hear such rumors prompted no doubt by the fact that, due to the low premiums in rural territories, we plan to do all the work for the agent except selling, including issuance of policies and collection of premiums.

"Our program contemplates training and establishment of many new rural agents where, in order to protect our investment in them, it will be necessary for the present that we control the business.

"This procedure will in no way affect our regular established agents, whether they are in the farm plan or not.

"We have spent 33 years and millions of dollars in establishing the finest agency plant in the country and in becoming the first and only casualty mutual operating nationwide on a 100% agency basis, and any suggestion that we are going to abandon this hard-won position is plainly absurd."

### Five States Involved

The plan has been started in Illinois, Ohio, Pennsylvania, West Virginia and Maryland. It will be extended to other states, but officers of Lumbermen's Mutual Casualty stated that there is no intention to introduce it in New York, Massachusetts, or any state where the present agency plant adequately covers rural areas.

The company established a farm department in 1919, but during the 1920's the company had such a heavy growth of business in city territories that little attention was paid to this side of the business.

### S. H. Parkins to VA Post

Samuel H. Parkins, Harrisonburg, Va., has been appointed insurance officer for the veterans administration regional office in Washington, D. C. A veteran of both wars, he has been an agent of the Aetna Life companies for over 20 years, working throughout Virginia from the Richmond office.

## Cornell, Retiring, Surveys 50 Farm Insurance Years

(CONTINUED FROM PAGE 8)

Mr. Cornell recalls that there was a great difference in forms when he entered the business and today. The practice then, for instance, was to divide the household goods coverage into eight or 10 items, for instance so much on dwellings, so much on household and kitchen furniture, so much on wearing apparel, musical instruments, jewelry, silver and plated ware. Then there was entry for provisions in smokehouse, grain only in buildings, live stock only on premises.

Although tornado insurance was then sold only about 50% applied for such coverage. Today more than 90% of the farm insurance includes windstorm.

Mr. Cornell thinks of the period from 1900-1914 as being normal so far as farm conditions were concerned. Prices were stable but not high, the farms were being improved, the farmers were putting money in the bank, land prices were advancing slightly.

The expansion started in 1914 and continued through until the early fall of 1920. Those were profitable years. In 1918-19 there was an influx of new companies into the farm field.

The bottom fell out in the fall of 1920 and the losses set in almost immediately.

Then there came years of woe. There was a long struggle on the part of the farm insurers to reduce the amount of insurance so as to remedy the moral hazard situation. Some of the companies that had launched farm departments retired from the field. From 1920-29 the experience was bad and from 1929-34 it was 15 or 20 points worse.

The turn came in 1934. Mr. Cornell thinks that the first favorable influence was the reduction in interest rate and the extension of the amortization of loans on the part of the federal land banks, together with the land banks, acting as agents for the land bank commissioner, granting additional loans under what amounted to second mortgages to distressed farmers. This coincided with better crops and better prices and the farmers pulled out of their troubles.

The hail insurance operations were placed in general charge of Mr. Cornell in 1935.

## Philippine Damage Fund Increased in House

(CONTINUED FROM PAGE 4)

The bill carries an entirely new provision authorizing \$5 million appropriations to provide buildings and facilities for United States to be retained by this government after Philippine independence begins. This sum includes an estimated \$800,000 for purchase of land and construction of building for the new war damage commission. The measure also authorizes \$120 million to be allocated by this government for public works and public health facilities in the islands.

The committee explained its increase of the war damage fund from \$330 to \$400 million by saying that its amendments to the bill have increased the coverage of property for which damages are to be paid, such as vessels and watercraft at \$20,000,000; passenger automobiles at \$30,000,000; mining properties at \$44,000,000, and certain added coverages.

A House amendment would penalize fraudulent as well as willful overvaluation of loss or damage. Fees for collection of compensation are limited by the bill to 5% of the compensation paid. The classes of property excluded from coverage by the bill may be in or out of the Philippines.

### Moriarity to Eagle Indemnity

G. L. Moriarity, casualty underwriter and assistant cashier of Travelers in Louisville for a year and a half and formerly with the company in St. Louis, has gone with Eagle Indemnity in St. Louis. He had been with Travelers 15 years.

## R. I. Commission Vetoes All Industry Measure

The Rhode Island joint legislative and executive commission has voted to recommend its own casualty and surety rate bill to the legislature instead of the all industry measure. It did amend its bill to exclude aviation insurance, however. By an earlier amendment it had dropped accident and health from the measure.

The committee's bill provides for a "ceiling" over rates under which a company would be permitted to charge not more than its filed rates but would be permitted to charge less at its own discretion.

Rep. W. E. Powers, chairman of the commission, voiced the belief that this bill affords more open competition and is more elastic than the all industry measure. He said the commission believes that under the all industry bill rates would be increased in the state.

### Cooper Reviews Cal. Health Act

LOS ANGELES—Leslie Cooper, legislative and tax counsel of Pacific Mutual Life, addressed the life insurance committee of the Los Angeles Chamber of Commerce on "Legislation Affecting Life Insurance." He confined his remarks for the most part to the compulsory health insurance act, reviewing some of the most important features of the measure, and saying that the law as passed was a compromise, the life insurance companies which write accident and health insurance being drawn into the picture during the progress of the bill through the legislature.

He said that the measure presents some knotty problems but expressed the opinion that the companies and the commission that will administer the law will work out a solution before the 1947 session of the legislature.

### Cites Increased Loss Costs in Minn.

William H. Brewster, assistant manager of the automobile division of the National Bureau of Casualty & Surety Underwriters, speaking at the midyear conference of the Minnesota Association of Insurance Agents, said that commercial car property damage rates are 15% above the prewar level in Minnesota and the bodily injury rate level is 10% below.

The revised rates reflect an experience showing that bodily injury claim costs in 1945 were about 25% above those for 1941, he said, and claim frequency has been increasing since the end of gasoline rationing. During the last quarter of 1945 the frequency approximated 1941. Property damage claim frequency still is somewhat under 1941 but the cost of settling claims in 1945 was 68% higher. For the fourth quarter of 1945 it cost 78% more to settle the average P.D. claim than in 1941.

### Breakdown Clause Ambiguous

The Louisiana court of appeal, parish of Orleans, has held that an exclusion clause in the policy, relieving the company of liability from a mechanical breakdown, is ambiguous in "comprehensive" coverage which includes any loss or damage to an automobile due to any cause except collision or upset. The case was construed against the company and the plaintiff was allowed to recover for loss sustained through a fire caused by a mechanical breakdown. The case may be found in C. C. H. report 17, paragraph 710,608.

### Crispin Heads Ohio Motorists

Carl N. Crispin, secretary of Ohio Motorists Mutual, has been elected president to succeed the late Vic Donahey. U. S. Senator James W. Huffman, son-in-law of Mr. Donahey, was named a director. A. M. Buescher was chosen secretary to succeed Mr. Crispin.

Application of Allied Mutual Casualty for license in Oklahoma has been approved by the Oklahoma insurance board.

# Fighting America's No. 1 Killer

Heart ailments cause more deaths in the U. S. every year than were inflicted on U. S. forces in battle in the whole period of World War II.

Keen realization of this fact is back of Guardian's support for the new Life Insurance Medical Research Fund, along with 142 other life companies. In time this great new industry activity may make a substantial contribution to longer life for all Americans.

Guardian people take pride in their company's support of many vital enterprises for the public welfare.

**THE GUARDIAN LIFE**  
INSURANCE COMPANY OF AMERICA

A MUTUAL COMPANY

ESTABLISHED 1860

HOME OFFICE: 50 UNION SQUARE, NEW YORK 3, N. Y.

GUARDIAN OF AMERICAN FAMILIES FOR 86 YEARS

## Revive Dock

NEW YORK—The New York State Legislature has passed a bill to revive the Dock Insurance Company, which was organized in 1914 to provide insurance for the State's dock facilities.

The bill provides for the reorganization of the company, which was then dissolved, and for the appointment of a new board of directors.

The bill also provides for the appointment of a new president and vice president, and for the appointment of a new secretary and treasurer.

## Fire Loss on Lor

NEW YORK—The New York State Legislature has passed a bill to provide for the payment of fire losses on the Lorain Hotel, which was destroyed by fire in 1945.

The bill provides for the payment of fire losses on the Lorain Hotel, which was destroyed by fire in 1945, and for the payment of fire losses on the Lorain Hotel, which was destroyed by fire in 1945.

The bill also provides for the payment of fire losses on the Lorain Hotel, which was destroyed by fire in 1945, and for the payment of fire losses on the Lorain Hotel, which was destroyed by fire in 1945.

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## Merch

The New York State Legislature has passed a bill to provide for the payment of fire losses on the Merchants Hotel, which was destroyed by fire in 1945.

## Chicago

The Chicago Board of Fire Underwriters has passed a resolution to provide for the payment of fire losses on the Chicago Board of Fire Underwriters, which was destroyed by fire in 1945.



## Revive Bureau to Curb Dock Pilferage in N. Y.

NEW YORK—To cope with the excessively heavy theft and pilferage losses on New York docks more than 250 representatives of the maritime industry, including marine insurance representatives, voted to restore the Bureau for the Suppression of Theft & Pilferage. The bureau operated from 1923 to 1930 and virtually stamped out this type of crime, which mushroomed after the first war.

H. C. Thorn, president of the Board of Marine Underwriters, was among those strongly advocating such a move. He criticized the courts for "brushing off" theft cases and said the underwriters would be forced to raise rates unless the situation is remedied.

The extent to which these thefts exceed casual pilferage can be judged from the fact that one of the thefts mentioned at the meeting was 2,400 cases of Scotch whisky. Marine insurance men say the pilferage situation is bad not only in New York but in most ports all over the world.

C. H. Callaghan, who headed the old bureau and will head the new one, reported that thefts during 1945 totaled \$1½ million and that \$120,000 worth of watch movements, cigarette lighters and similar cargo had been stolen from a ship in the East River.

## Fire Loss of \$750,000 on Long Island Estate

NEW YORK—A fire that destroyed the 32-room colonial residence of Samuel Rubel, Roslyn, L. I., president of the Ebling Brewery, caused damage estimated at around \$750,000. Insurance of about \$300,000 was carried on the residence, it is understood. The contents reportedly were insured for about \$150,000.

The blaze started when a short circuit ignited paint remover being used in the dining room. The fire quickly consumed the paint-soaked canvas covering and spread over the entire room. Before fire-fighting equipment could arrive the blaze, fanned by a strong wind, was out of control, destroying all of the large residence except the servants' wing, of relatively small value. Even trees on the Rubel estate caught fire, and it was necessary to cut away a number of them to prevent the fire from reaching a power company substation located a few hundred yards from the building.

Insurance on the property was in stock companies, but jewelry belonging to Mrs. Rubel was not insured. A fireman, it was learned after the fire, saved most of the \$500,000 worth of gems.

Because the structure was of the rambling, frame type it was not possible to state the amount of the loss exactly or immediately. It was indicated that the total damage may exceed \$750,000.

## Merchant Assistant Claim Chief

The New York office of the Aetna Life affiliated companies has appointed Joseph E. Merchant assistant manager of the claim department, in charge of material damage, inland marine and fire claims. He succeeds the late Philip J. Kirschner.

Mr. Merchant has been associated with Aetna's New York claim department since 1919. He is a lecturer on insurance at the Pace Institute.

## Chicago Examiners' Slate

The Chicago Association of Fire Examiners will hold their annual election April 18. The prepared slate is: for president, O. E. Gray, Fireman's Fund; vice-president, E. F. Rokel, Providence Washington; secretary, D. R. Rose; Millers National; and treasurer, J. A. DeZutter, Great American. Other nominations may be put up from the floor. E. J. Dowling, Fireman's Fund, is retiring president.

## Winding Gulf Appeals W. Va. Case to High Court

WASHINGTON — Winding Gulf Collieries has asked the U. S. Supreme Court to review the well publicized decision of the fourth circuit court of appeals holding that the coal company was not entitled to the proceeds of a fire policy covering a school of the board of education of Raleigh county, W. Va. Winding Gulf had given the ground for the school under an agreement that the property would revert to the coal company if it should no longer be used as a school building. Winding Gulf contended that the use of the clause "for account of whom it may concern" brought the coal company in as an assured.

The lower court held for the coal company but it was reversed by the circuit court of appeals.

Winding Gulf in asking the Supreme Court to take jurisdiction, contends that the intention was to insure the whole title and indemnify all interest parties and that the words "for account of whom it may concern" create a trust relationship. It goes on to argue that the words "for account of whom it may concern" are "technical in their meaning and comprehend every species of property held in the res or subject of insurance and when the subject of insurance is real estate, these words convert the policy into a covenant real and the indemnity follows the title."

It argues that equity will reconvert the indemnity into realty to protect the interests of the different owners of the subject insured and the money will stand in the place of the building and be held by each owner as of his former estate. The case is No. 1074.

## Metzler to Illinois National

R. A. Metzler, for 1½ years fire department manager of American Aviation & General in Chicago and office manager for that company and American Casualty, has resigned and been appointed Chicago manager of Illinois National Casualty. He has been in the business 25 years, first as fire underwriter for America Fore group in Chicago. After real estate experience he went with the Cook County, Ill., office of Boston and Old Colony, and later with the Cook county office of Yorkshire for five years.

## Beck Manager for Wolverine

Charles J. Beck has resigned as assistant secretary of Illinois National Casualty to take charge of the Chicago branch of Wolverine at 6459 Sheridan road. He has been in the business 18 years, first as agent of Travelers there, then special agent of Illinois National from 1937 to 1939 when he became superintendent of agents at the home office. In 1942 Mr. Beck was named assistant secretary in charge of the Chicago office.

## Standard Accident Is Honored

Standard Accident has been presented a special recognition certificate by the National Bureau for Industrial Protection. The company, through its safety engineering department, made available its services to the government in conducting surveys with a view to discovering conditions in connection with plant facilities and equipment that might interrupt the war effort.

More than 655 surveys were made in various plants throughout the country and three safety engineers spent their full time for over two years on army or navy projects. Approximately 40 safety engineers spent about three months each for three years on projects in preparation for war.

Frank Dunlay has joined the local agency of Horwitz & Co. in Los Angeles. He formerly was with Cosgrove & Co. in San Francisco and with Marsh & McLennan in both San Francisco and Los Angeles.

## Public Relations Discussed by EUA at New York Meeting

NEW YORK—The public relations program of the Eastern Underwriters Association was discussed by representatives of 19 field clubs here.

Frank A. Christensen, president of the National Board, and Peter J. Berry, president of EUA, made the principal talks.

Some of the work already under way includes courses in public speaking, educational work for veterans, and dissemination of general information on underinsurance and other subjects of interest to policyholders.

## Willis with Mid-States

Harry Willis has returned from army service and been named Illinois special agent by Mid-States. Before entering service he was an underwriter and field assistant of Travelers in Milwaukee.

## Glanville Is Office Manager

Walter Glanville, credit manager of Liberty Mutual in Chicago, has resigned to become associated with North America in the Chicago service office. He was with Liberty Mutual for 15 years, his duties covering 18 midwestern states.

## Dewey Vetoes Absolution Bill

NEW YORK—Gov. Dewey has vetoed the bill which would have absolved insured from all possible future liability under the compensation law provided they paid their premiums to stock or mutual insurers. Under the present law the insured who purchases insurance from the State Fund has no liability even though the fund should become insolvent but a stock or mutual company's insured would be liable in case the insurer became insolvent and there were not enough money in the stock or mutual security fund to take care of the claims.

Gov. Dewey said that the proper way to eliminate the State Fund's competitive advantage would have been to repeal the section granting immunity to employers insured in the fund but that a bill to effect this failed to pass.

## Allentown Loss \$1 Million

The insurance loss in the fire which burned out of control for seven hours in the center of the Allentown, Pa., business district last week, may run more than \$1 million, although it is too early for adjusters to make an accurate estimate. Principal damage was done in the 900 block in Hamilton street. One adjusting firm has 20 claims in its office. Three buildings, including the Rialto theater, and 20 apartments were burned.

## Neilan to Speak in Toledo

James A. Neilan, Norwich Union, chairman of the educational and public relations committee of the Ohio Fire Underwriters Association, will speak before the Toledo Insurance Board next Tuesday on "Insurable Values and Under-insurance."

## Chenet Joins N. A. Aviation Dept.

James H. Chenet has been appointed supervising underwriter of North America's new aviation department.

Mr. Chenet was pilot of a B-24 in Europe and was captured in 1943, and was a prisoner of war for 18 months.

He attended New York University and in 1938 became an underwriter and special agent with Aero, from which position he has recently resigned.

A. N. Bushnell, Jr., has resigned as marine special agent in Los Angeles of the Security group, to go with the Lem Bailey Co. local agency in Hollywood.

President Ethel Earley and Vice-president Mary Ellen Harper will be the official delegates from the Insurance Women of Los Angeles at the regional meeting in San Francisco April 27-28.

## Sprinkler Value Shown in Chicago Fire Loss

The loss report of the Cook County Inspection Bureau on the fire March 22, at the Kroll Brothers baby carriage factory, Chicago, shows a total insurance loss estimate of \$266,000.

The report notes the value of sprinkler systems and automatic fire doors. The factory consisted of two buildings, one sprinklered and one not. Fire started on the second floor in the unsprinklered building and because of the combustible nature of the contents, spread rapidly. Flames spread toward the sprinklered building, closing several automatic fire doors and traps, preventing extension of the fire. However, a fire door leading to the front stair shaft was prevented from closing by falling of a brace of a temporary stock fixture. Heat radiated through the opening and caused 10 sprinkler heads to operate in the stair shaft, stopping the flames. A delayed operation of one other fire door was caused by a defective link on the fire side of the wall. The link on the outside eventually fused allowing the door to close.

In its conclusions the bureau commended the value of a standard fire wall if properly maintained and said the fire indicated the importance of interconnected fire doors as demonstrated in the case of the link on the fire side failing to operate.

## Two Large Southern Hail Losses

A hailstorm in Dallas, April 9, is estimated by Fire Companies' Adjustment Bureau to have caused an insurance loss of \$500,000.

Most heavily hit was east Dallas and the Lakewood area, with practically no damage in the downtown section. About 5,000 claims are expected with an average loss of \$100.

F.C.A.B. now has 87 more adjusters than last year in the southwestern department, a great majority being returned veterans.

Storm and hail damage in southeastern Tennessee and northern Alabama will probably run over \$1 million. Losses in Anniston, Ala., partially insured, are estimated at more than \$1 million and heavy damage was suffered in Winchester and Pulaski, Tenn.

Hail destroyed crops and in many places was a foot high.

The difficulty facing all property owners from losses of this nature is in obtaining replacement parts such as roofing, for repairs.

## Rating Parley at Chicago Apr. 23

Plans have tentatively been made for a meeting at the Drake hotel, Chicago, April 23 further to harmonize the differences between the all industry committee and the commissioners on rating legislation. The group that is scheduled to meet is the drafting committee of the N.A.I.C. and the conference committee of the all industry committee. The N.A.I.C. group consists of Dineen of New York, Harrington, Massachusetts and Johnson of Minnesota. American Mutual Alliance is chairman of the conference committee.

## \$450,000 School Loss at Butte

Loss is estimated at \$450,000 in the fire that destroyed the old high school building at Butte, Mont. F.C.A.B. is handling the loss which is covered under the form of school district No. 1, Silver Bow county.

## Richardson Named at Montreal

London & Lancashire and affiliated companies have appointed James Richardson as assistant manager of the Montreal branch. He is coming from England, having served the company in Glasgow and London.

Edward C. Hauser has been licensed for all companies represented in the Ohio-Cooper Agency, Dayton, O. W. A. Hoskin, who was president and manager of the agency, died recently.

## Texas Agents Take Belligerent Stand

(CONTINUED FROM PAGE 3)

son to be more a representative of the national association from Texas than a representative of Texas on that body."

Will M. Keller, Palestine, who has been acting president during Mr. McLarry's illness, was elected president; Melvin J. Miller, Fort Worth vice-president, and D. G. Foreman, Fort Worth, was elected executive secretary for the 21st year. Arthur Randol, San Antonio; was elected chairman of the legislative committee which will serve for two years; assisting him will be Julius Bergfeld, Tyler; Andy Montgomery, Austin; Geo. L. Foster, Abilene; and W. E. Rankin, Galveston.

### Regional Chairmen Named

Regional chairmen appointed include: John T. L. Jones, Quanah; G. E. Hodge, Bonham; J. F. Beasley, Crockett; A. H. Peterson, Marlin; R. B. Carter, Elsa; Bob Dean, Pecos; W. B. LaMaster, Perryton; T. C. Walker, Mt. Pleasant; V. E. Jordan, Brady; J. L. Walker, Jr.,

Gorman; and Virgil L. Martin, Hale Center.

The agents went on record asking that all personal property floater policies be cleared through the Texas checking office so that the use of proper rates and forms might be guaranteed and they also asked that the present marine and aviation committee be divided as each line is now important enough to justify separate committees.

### Demands Cooperation

The address on "Inland Marine Opportunities" by John H. Dillard, Atlanta, associate manager of the southern department of Fireman's Fund, was loudly applauded, but it prompted Lambert Lain, Cleburne, to demand closer and quicker cooperation between inland marine carriers and fire companies when losses involved both. He cited the case of the Cleburne laundry which was burned January 1 with the claims still unpaid because the laundry has a bailee's policy and many of the individuals had fire policies which covered their personal belongings. Lain said the bailee's policy carrier was waiting for the fire companies to settle all their losses first and, while the various companies argued as to liability, the assureds "not only lost

their shirts but were now holding the bag."

Aside from an address on "Automobile Insurance" by A. E. Spottke, New York City, manager of the automobile division of the National Bureau of Casualty and Surety Underwriters, the rest of the convention program was devoted to talks by the insurance commissioners and their department heads and reports from the various association committees. The report of Alphonso Ragland, Jr., chairman of the rates and forms committee was so well received that the members voted to have the entire report printed and mailed to the entire membership, now numbering 1,492.

### Concern Over Licensing

Deep concern over the licensing situation in Texas was evinced by Mr. Keller in making the report for the administration. He said the association's membership is approaching 1,500 and in this number are a majority of the worthwhile agents of the state. He asserted that the licensing situation is far from being in a satisfactory and healthy condition.

"There appears to be, on the part of some general agents and some companies, a situation in which they are competing to see which one of them can obtain licenses for the most persons—regardless of qualifications," he said.

"The legitimate agent does not fear legitimate competition; he even welcomes it, and it is his earnest endeavor to keep the personnel of the agency system on a high plane, believing that therein lies the solution of our public relations problem. When companies or general agents attempt to destroy these high ideals, they too, must suffer along with the public, the agents, and the business of insurance generally. We trust the practice will be curbed voluntarily by those guilty of it," he said.

### Not Attacking Companies

He pointed out that his remarks were not intended as an attack upon the company friends of the association, but that it was his hope, that airing the situation would help purify it. He said there could be more cooperation on the part of the inland marine, bonding and general casualty companies.

"It does not appear that we have, even as yet been introduced to the Inland Marine Insurance Bureau, nor to the Townner Rating Bureau," he said. "For the convention record, I wish to emphatically state that we want their friendship, and that we would like to have the privilege of cooperating with them on a friendly basis."

He said that adding fire and windstorm to the personal property floater is new to Texas agents and that the Texas system of good and bad fire records is new to the I.M.I.B. and, "Both must have consideration if the proper commission scale is maintained for agents. We dislike to feel that, by having taken an active part in providing this full coverage for Texas, we are going to be penalized."

### Cancellation Amendments

Further amendments in the new cancellation rules for Texas and early adoption of a new extended coverage manual, were among the most important recommendations made by the rates and forms committee. It was admitted that the old cancellation rules were being abused by a large number of agents to the point where the insurance department was unable to segregate the just causes for cancellations from the deceptive and fraudulent.

The committee told of how it had obtained some modification of the new rules, but that some points are still hanging fire. One of these is where an agent writes a policy for a three or five year term and then finds within 60 days that the insured desires it rewritten for a term shorter than the original one. Under the present rule the longer term policy must be cancelled short rate, although he intends to rewrite the policy for at least the same amount. Another example is where windstorm must be

cancelled short rate in order to be rewritten as extended coverage in the same company for as great or greater amount.

The committee endorsed the new rule as to reduction of liability for contents. It also urged the agents to give a fair trial to the minimum premiums promulgated by the board so that any future request for changes may be based upon broader experience.

As to the proposal made by the committee last fall for a reporting form for business interruption insurance, it was stated that further consideration had indicated that most assureds would be put to additional accounting expense and that such a form would be impracticable. The committee stated its willingness to continue without a reporting form until an acceptable solution can be found.

### Support Commissioner Hall

The committee hoped that Fire Commissioner Hall would have something to report as to a new extended coverage manual at the convention. As to windstorm rates it was recognized that they must be reasonable, but also adequate to enable the companies to pay their losses and stay in business. It was agreed that a wholesale exodus by major companies from even a part of the state borders on catastrophe to insureds who need facilities for the protection of their invested capital, and that Commissioner Hall has the full support of the committee in his expressed opinion that the experience should be based over a long enough period of years to provide as much stability and equity as possible in the rate structure.

A new general basis schedule was recommended. A standard combination loss report and policy form was urged so that agents could provide all the information necessary for the handling of a loss at one time and on one sheet of paper. Unfinished business of the committee was listed as the request for elimination of tenant charges on the ground that distinction between tenant and owner is no longer a proper rate factor; the proposal for graduated scale of rates on extended coverage providing reduced rates on excess amounts for dwellings insured for more than \$7,500, and the problem of digging out the proper definitions of builders' risks, when a sign is a part of building and when it is not, and other matters.

Registration was in excess of 450.

### \$165,000 Verdict in New York

NEW YORK—United States District Court has ordered the New York Central Railroad to make an award of \$165,000 to Richard Delaney, 30, of Peekskill, N. Y., who lost both legs May 3, 1945, while working as a brakeman in the Harmon, N. Y., yard.

The railroad acknowledged responsibility for the accident and the sole matter of judgment for the jury was the amount of the award.

Employees of railroads engaged in interstate commerce are not covered by workmen's compensation in any state. An injured worker of this class must prove negligence on the part of road, but he is aided in proving his case by provisions of the federal employers liability act. This act prevents the employer from resorting to the common law defenses such as "assumption of risk" and "fellow servant".

New York Central self-insures against such loss, and carries no excess insurance. A company spokesman said the Delaney award was one of the largest on record.

### New Company Formed in Texas

Angelina Casualty Co., with \$200,000 capital, has been organized at Lufkin, Tex.

Officers will be W. C. Trout, chairman; E. L. Kurth, Sr., president; W. Joe Anderson, vice-president; D. W. Thompson, treasurer, and Eugene Ford, secretary.

Mr. Trout is president of the Lufkin Foundry & Machine Co. and Mr. Kurth is president of Southland Mills and Angelina Lumber Co.

## USE YOUR OWN COMPANIES WHEN POSSIBLE

Otherwise Let Us Help You with Your Unusual or Difficult Problems—



# Lloyd's London

## R. B. Jones & Sons Inc.

C. REID CLOON, Manager

175 W. JACKSON BLVD.

CHICAGO 4, ILL.

1886—OVER A HALF CENTURY OF SERVICE—1946

## The North American Accident Insurance Co.

209 So. LaSalle St., Chicago, Illinois

Oldest and Largest Company in America Writing Accident and Health Insurance Exclusively

District Managers and Representatives WANTED

Geo. F. Manzelmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

## Misunderstanding About Clarification

LOS ANGELES—The announcement of the Mutual Life Insurance Company of New York, that it had agreed to a new contract with the state of California, was given a wide interpretation by the public. The company's statement, however, was that it had agreed to a new contract with the state of California, which would provide for the payment of a sum of money to the state of California, in order to enable the company to continue its operations in the state.

## Representation

"The simply new its stock 758, equal for every stock, in acquire the subject to p tion. "Misunderstanding there have actions i withstand transacted has been The 'new in trust a any mar "Mutual itial stag nating s icylinder price o pointed termine non-can uidator o of the 'n determin the mean

## Seek to A. & F.

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## Aetna Plan

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## ACCIDENT AND HEALTH

### Misunderstanding About Pacific Mutual Clarified by Gantz

LOS ANGELES—"Inquiries received since the California commissioner's announcement that \$22,189,758 was needed fully to restore non-can benefits to Pacific Mutual policyholders indicate a misunderstanding of the basic facts," J. M. Gantz, Cincinnati general agent and chairman of the mutualization committee of the Pacific Mutual Agency Association, stated.

"The misunderstanding arises because there was an 'old company,' the Pacific Mutual Life Insurance Co. of California, prior to 1936 and there has been a 'new company,' the present Pacific Mutual Life Insurance Co., since 1936. The 'new company' in 1936 reinsured the 'old company's' non-can policyholders at a reduced benefit and agreed to apply certain of its surplus earnings to restore full benefits. The 'old company' at that time was given the right to acquire the 'new company's' stock provided it fully restored non-can benefits, but subject to the policyholders' right to reacquire it in mutualization proceedings.

#### Represents \$44 a Share

"The commissioner's announcement simply means that the 'old company' or its stockholders must provide \$22,189,758, equal to approximately \$44 a share for every share of the 'old company's' stock, in order to restore non-can and acquire the 'new company's' stock, subject to policyholders' right to mutualization.

"Misunderstanding also arises because there have been 'over-the-counter' transactions in the 'old company's' stock notwithstanding the 'old company' has transacted no business since 1936 and has been in liquidation since that time. The 'new company' stock is being held in trust and cannot be bought or sold in any market.

"Mutualization proceedings now in initial stages provide the means of eliminating stockholders' interest so the policyholders will own the company. A 'price determination' committee appointed under public authority will determine what amount, after restoring non-can benefits, would be paid the liquidator of the 'old company' as the value of the 'new company' stock and will also determine who would vote the stock in the meantime."

### Seek to Form New Stock A. & H. Insurer in N. Y.

NEW YORK—American Progressive Health has been organized in New York by Kenneth P. Lamont, president, and others with \$150,000 capital and surplus, the minimum required by New York law. Mr. Lamont has been in insurance 25 years. Financing of the company is now in process. It will write accident, health, hospitalization and medical care for individuals and groups. Admission in other states is being sought, and forms are being cleared with the New York department. It will operate on an agency basis.

Mr. Lamont formerly was associated in an executive capacity with Lahm & Co., New York. This agency represented Columbian Protective and operated in and beyond the metropolitan area.

### Aetna Joins "Wisconsin Plan" of Medical Care

Aetna Life has joined the "Wisconsin plan" of group medical and surgical benefits.

The plan originated about six months ago and at the start included seven companies, only two of which are domiciled outside of Wisconsin. It is

sponsored by the State Medical Society and provides for the writing of the coverage by private companies rather than having a hookup with the Blue Cross, as is the case with a number of medical society plans.

The plan offers \$5 a day for 31 days in the hospital and \$25 for miscellaneous expense. Overall limit for additional charges is \$180.

### New Officers in Des Moines

Ralph DeMaris, general agent of Columbian National Life, has been elected president of the Des Moines Association of Accident & Health Underwriters. He succeeds Arthur Johnson, Travelers. Arthur Alexander, Travelers, becomes vice-president; Darwin W. Kinney, Continental Casualty, secretary, and Ella Koch, Aetna Life, treasurer. Arthur Miller and Cleo Lawdahl were elected to the executive board.

### Diers Is Omaha President

At the annual meeting of the Omaha Association of Accident & Health Underwriters, Harold Diers, general agent of Commercial and Metropolitan Cas-

ualty, was elected president; A. L. Hobbs, Washington National, vice-president, and Miss Viola C. Hamilton, Central Catholic Casualty, secretary.

New members of the executive board are N. K. Harmon, Continental Casualty; William Reinshe, Massachusetts Bonding, and Paul King, Travelers. James O'Neill, Mutual Benefit Health & Accident, retiring president, automatically became chairman of the executive board.

### No. Am. L. & C. 50th Anniversary

MINNEAPOLIS—The 50th anniversary of the founding of North American Life & Casualty was observed Wednesday with a gala celebration at the home office and smaller parties at district offices in the field. For three days prior to the celebration agents were invited to participate in a production contest. A dinner Wednesday night for officials of the company and guests brought the celebration to a close.

### Fellison Speaks in K. C.

The monthly luncheon meeting of the Kansas City Association of Accident & Health Underwriters was addressed by Lynn B. Fellison, manager of Aero Underwriters, who spoke on "The History,

Prospecting and Underwriting of Aviation Insurance."

### George L. Gordon Is Counsel

George L. Gordon, Kansas City attorney, has been elected counsel and John Gilmore attorney for Business Men's Assurance. The new arrangement was made necessary because of a substantial increase in the business of the company and the increase in legislation which has resulted in a larger volume of legal work.

After being graduated from the Kansas City school of law in 1924 Mr. Gordon attended the University of Kansas and Oxford University. As a member of the Legal Section of the American Life Convention, on behalf of the Missouri constitutional convention committee of the Chamber of Commerce he wrote the arguments for and against all the proposals dealing with legislative matters in the constitutional convention.

Mr. Gilmore, also a member of the Legal Section of the A.L.C., has been with the company since 1939. He is a graduate of the University of Missouri and of the Harvard law school.

### Tenn. Voluntary Medical Plan

KNOXVILLE, TENN.—The Tennessee State Medical Association in ses-



## MASSACHUSETTS BONDING AND INSURANCE COMPANY

HOME OFFICE, BOSTON 9, MASSACHUSETTS

T. J. FALVEY, PRESIDENT

Financial Statement December 31, 1945

### ASSETS

Cash in Banks and Offices	\$ 3,002,162.19
*United States Government Bonds	14,840,432.80
* Other Bonds and Stocks	11,795,669.77
Real Estate	2,684,602.41
Premiums in Course of Collection (None over 90 Days)	2,731,588.40
Accrued Interest	71,253.88
Deposit with Workmen's Compensation Reinsurance Bureau	386,461.25
Other Assets	88,485.02
<b>Total Admitted Assets</b>	<b>\$35,600,655.72</b>

### LIABILITIES

Reserve for Claims	\$12,881,851.17
Reserve for Unearned Premiums	7,257,151.96
Reserve for Accrued Taxes Payable in 1946	690,918.83
Reserve for Commissions on Outstanding Premiums	620,887.00
Reserve for Other Liabilities	193,089.37
<b>Total Liabilities except Capital</b>	<b>\$21,643,898.33</b>
<b>SPECIAL SURPLUS FUNDS</b>	
Reserve for Replacement of Equipment	\$ 100,000.00
Voluntary Reserve	1,856,757.39
<b>CAPITAL</b>	<b>2,000,000.00</b>
<b>UNASSIGNED FUNDS (Surplus)</b>	<b>10,000,000.00</b>
<b>SURPLUS TO POLICYHOLDERS (Insurance Department Basis)</b>	<b>13,956,757.39</b>
<b>Total</b>	<b>\$35,600,655.72</b>

\*All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners.  
\*Bonds in the amount of \$847,463.10 amortized value are deposited with various States as required by law.

Transacts business throughout the United States, writing FIDELITY, SURETY and FORGERY BONDS and ALL KINDS of CASUALTY INSURANCE

CHICAGO BRANCH OFFICE: 1919 Insurance Exchange

Chicago, Illinois

Spencer Welton, Vice President

sion here provided for appointment of a nine-member committee to work out a voluntary prepaid medical service plan to be operated in Tennessee in connection with the Blue Cross plan. Dr. A. R. Porter, Memphis surgeon, was named chairman.

## Rex Edmunds Heads Fidelity H. & A. Father Is Chairman

Rex A. Edmunds has become president of Fidelity Health & Accident Mutual to succeed his father, E. C. Edmunds, who was elected chairman. H.



REX A. EDMUNDS

S. Gray, a director, was made counsellor.

Rex Edmunds joined Fidelity in 1937 and has risen rapidly, his last office being vice-president in charge of agencies. E. C. Edmunds was one of the founders of the company in 1903 and has served as vice-president and president. Both have been active in the Health & Accident Underwriters Conference, Rex Edmunds having served as

chairman of its agency management committee.

## Big Case for Lon Jeffrey

The Lon C. Jeffrey Co. of Pittsburgh presently is installing a large group disability and hospital case for a steel company. The payroll deductions will amount to about \$30,000 a month.

## Discuss Northern Mut. Complaints

LANSING—Commissioner Forbes has taken under advisement certain matters discussed at an informal hearing here during the past week to which he had summoned officers of Northern Mutual Casualty and Bankers Life & Casualty of Chicago.

The discussions were attended, in addition to representatives of the two insurers and the Michigan department, by spokesmen for the Ohio and Indiana departments, the former state having cited Northern Mutual prior to the Michigan action.

Representing Northern Mutual was D. A. Davis, vice-president, while John MacArthur, president, M. H. Wettaw, vice-president, and C. C. Bradley, treasurer; all were present from Bankers Life & Casualty.

Representing the Ohio division were Walter Robinson, deputy; Ralph Clapp, assistant attorney general; L. U. Jeffries, warden, and Joseph Kolkmeier, chief auditor and examiner. Indiana sent Harry Wells, chief examiner.

## Farm Bureau Awaits N. D. License

Action is expected next week by the North Dakota department upon the application of a casualty company sponsored by the American Farm Bureau Federation for a license to write the casualty lines of the farm bureau in that state.

## New Okla. Tax Law Attack

OKLAHOMA CITY—The 4% gross premium tax law of Oklahoma has been attacked again in a suit filed by U. S. F. & G. It asks for return of \$42,000 paid in taxes, alleging that the tax law is discriminatory and invalid under the S.E. U.A. ruling.

## CHANGES

### Thornton with Globe in Pa.

Jack E. Thornton, a former navy ensign, has returned to insurance with Globe Indemnity as a special agent for north central Pennsylvania west to Williamsport and Bellefonte.

Mr. Thornton is a graduate of the University of North Carolina and the school of finance of University of Pennsylvania. He started as a compensation and liability underwriter with New Amsterdam Casualty in 1939.

### Wickham Returns to Standard

Lieut. Bill Wickham has returned to the legal department at the home office of Standard Accident on the staff of Judge Paul Laymon, general counsel. Lieut. Wickham served in the coast guard. He was in the Pacific and took part in the Leyte invasion.

### U. S. F. & G. Coast Changes

LOS ANGELES—L. A. McKinley, formerly in the safety engineering and payroll audit department of U. S. F. & G. in Los Angeles, has been appointed assistant superintendent of the casualty department. He is succeeded in the other post by Philip Thrasher, who has transferred from the home office.

### Miller Assigned to Columbus

Roger W. Miller, field assistant of Travelers in Buffalo, is being transferred to Columbus as fidelity and surety field assistant.

### NEWS BRIEFS

Robert Schultz, recently discharged from the army, has rejoined the claim department of U. S. F. & G. in Des Moines.

Charles F. Gross has been named assistant branch manager at Seattle for Continental Casualty. He has been in home office and field work in the territory for a number of years.

J. T. Weaver, who has been supervisor of liability claims for the adjusting firm of W. E. Griffith & Sons in San Francisco, has been put in charge of its Oakland office as manager.

## COMPENSATION

### Mass. Comp. Bill Opposed

BOSTON—Representatives of industry and insurance appeared before the legislative committee on state administration at the hearing of labor's 27th annual bill for a state fund for workmen's compensation in Massachusetts.

John W. Downs, counsel for casualty companies, said there were many errors in the bill; that insurance companies would be out of the business a full year before the state fund took effect and that it made employers of six or more workers subscribe where the state law passed in 1943 made compensation compulsory for employers of four or more.

Others opposing the measure were the Mutual Fire Insurance Association, American Mutual Alliance, New England Telephone and Telegraph, Pullman

Co., Liberty Mutual and the Associated Industries of Massachusetts.

### Va. Rate Hearing May 15

May 15 has been set for hearing before the Virginia state corporation commission on application of 81 companies writing workmen's compensation in the state for a 5.81% increase in rates to become effective June 19. This increase was authorized by the general assembly by a bill passed recently. The increased rates would apply to all new and renewal policies effective June 19, and also to all outstanding policies with effective dates prior to June 19, as of July 1.

Arthur Stewart, a member of the Minnesota compensation insurance board for the past year, has resigned to accept an appointment as district judge at St. Paul. Arthur Ramberg of Duluth, a former member of the board, has been appointed to fill the vacancy by Gov. Thye.

## SURETY

### Low Bidders on California Construction Projects

LOS ANGELES—Four sets of bids were opened here for construction of public works for the U. S. Government, state highway department and city of Los Angeles. The low bidders, other details and the companies which will write the bonds if the awards go to the low bidders, are: Hyperion Sludge Plant, a part of the new sewer project of Los Angeles, Peter Kewitt Sons Co. and Construction Aggregates Corp., jointly, bid \$3,394,000; Aetna Casualty through its Omaha office, will write the bond on behalf of the Kewitt firm and Hartford Accident through its Los Angeles office for the Aggregates firm. 4.1 miles of road in San Diego county, to be graded and paved with cement Basich Bros Construction Co., and Basich Bros., jointly bid \$1,098,840.50; Hartford Accident.

Section 2, Friant-Kern canal and siphon under the Kings river, Morrison-Knudson Co. and M. H. Hasler, jointly, bid \$1,514,000 for siphon and \$1,893,000 for section 2. Fidelity & Deposit.

Section 1 of the same canal, Arizona & Nevada Construction Co., Phoenix, \$1,300,000; section 3, \$1,900,000; section 4, \$2,250,000.

John Martin dam on the Arkansas River, near Caddo, Colo., Morrison-Knudson Co., bid \$1,298,117; Fidelity & Deposit.

### Fidelity Premiums Up 15-20% So Far in 1946

Fidelity business currently is reported to be running at from 15 to 20% ahead of the same period last year. However, the outlook for the balance of the year is unfavorable because it was in May, 1945, that the rules were liberalized to permit the writing of fidelity business on a three year basis. The majority of the business was converted to the term plan and hence, commencing in May and June there is certain to be a very sharp drop off in premiums written as compared with last year.

In order to get a perspective, some of the companies are keeping two sets of books in one of which an arbitrary proportion of the three year premium will be entered on the annual anniversary date of business that was rewritten last year for a three year period. In that way the company will be able to determine its relative position production-wise.

### New Claim Office for Hartford

Hartford Accident has established a branch claim office in Albany, Ga. Peyton H. Todd, Jr., formerly in Savannah, is in charge. The office is under the supervision of southern claim department in Atlanta.

## AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street, New York 7, N. Y.

DECEMBER 31st, 1945

CAPITAL	\$4,000,000.00
Surplus	8,598,916.48
Voluntary Contingency Reserve	750,000.00
Surplus to Policyholders	\$13,348,916.48
Reserve for Losses	6,537,844.62
All Other Liabilities	4,806,956.09
<b>TOTAL ADMITTED ASSETS</b>	<b>\$24,493,717.19</b>

NOTE: Securities carried at \$550,000.00 in the above statement are deposited as required by law.

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W. J. STITELER, PRESIDENT

★ 1935 TENTH ANNIVERSARY 1945 ★





## PERSONALS

Lt.-Col. Cameron H. Saunders, resident vice-president of American Automobile, was general chairman of the Cincinnati celebration of Army day, a post he has filled for nearly a dozen years.

Raymond Krause, claim adjuster at Racine, Wis., for the Employers Mutuals of Wausau, has been elected president of the Racine Junior Chamber of Commerce.

C. W. Fairchild of San Francisco, retired general manager of the Association of Casualty & Surety Executives, will go to New York City to attend the annual meeting and hobnob with old friends. He is subject to call any time for special service on the coast. On his return he will stop over at Chicago to confer with Roy L. Davis, manager of the western department, and other friends. He plans to attend the commissioners' convention at Portland, Ore.

## DEATHS

Alexander Hepburn, supervising engineer of Travelers in Detroit, died. He had been an employee of the company since 1917.

P. J. O'Connor, 46, secretary of the Minnesota compensation insurance board for several years, died in St. Paul.

Funeral services were held Saturday for Mrs. Martina Spencer, wife of Kenneth Spencer, executive director of Eagle, Globe and Royal Indemnity companies.

### More Missouri Figures

Accident and health and hospitalization figures for Physicians Life & Casualty in Missouri have been received. They are \$88,134 and \$27,842.

## Garage Liability Rules Revised

(CONTINUED FROM PAGE 19)

commit themselves until they had had a chance to study its effects on a few actual risks. They anticipate some difficulty in obtaining complete application of the plan, partially because agents and insureds have not been accustomed to any payroll division with garage liability business and also because war time conditions have forced garage employees to undertake a variety of duties. Normally, in many large garages, one or more chief mechanics customarily do the road testing of customers' cars, and there may be difficulty persuading insureds that the payroll of these employees should take the high class B rate.

### Storage Garages Unchanged

There is no change in the premium basis for storage garages and service stations, and the old overall payroll rates will continue to apply. Experience and schedule rating will continue to be available to these risks, the eligibility requirement in each case being an annual payroll of \$20,000.

The charge for collision liability insurance for dealers and repair shops is unchanged, but the basis has changed for storage garages and service stations. With a \$50 deductible, the charge for storage garages and service stations is now 200% of the property damage liability premium for the risk, as compared with the former rule of 150% of the dealer and repair shops property damage rate. For a \$100 deductible, the charge is 125% of the storage garage and service station property damage rate. There is a minimum premium of \$75 in each case.

Collision liability insurance has been made available on a similar basis to hotels, department stores and similar in-

sureds whose employees park customers' cars, at a charge  $2\frac{1}{2}$  times the B property damage rate for each named driver for \$50 deductible and  $1\frac{1}{4}$  times this rate for \$100 deductible coverage.

Medical payments insurance, previously restricted to private passenger automobiles and school buses, may now be written in connection with any automobile risk. This coverage has been moved from the private passenger section to the general section of the manual. The schedule of charges for private passenger cars and school buses is unchanged. The only rates quoted for commercial automobiles, funeral cars, private livery, public livery, taxi cabs and buses, are with a limit per person of \$250. The schedule varies from a medical payments charge of \$5 where the bodily injury liability rate is \$20 to \$75 where the bodily injury liability premium is over \$500. Medical payments coverage may be added to a garage payroll policy for an additional charge of 10% of the \$5/10,000 limit garage payroll bodily injury liability premium and minimum premium.

Medical payments coverage is still restricted to persons riding in the automobile, so it is not expected that there will be much demand for this coverage from operators of trucks. It is believed, however, that there will be a market for this coverage for risks such as buses, taxi cabs and livery cars.

### Drive Other Cars Changes

The wartime rule under which insureds not owning cars and those who had laid up their automobiles could secure drive other cars coverage, under either the broad or limited form, has been dropped. Relatively little business was written under this rule. Insureds not owning automobiles can still protect their liability under either the broad or limited named operator policy, the broad form usually being the only one acceptable where the insured is required to file under a financial responsibility law. The

old special limited operator policy for government employees, covering operation of government owned vehicles, has been restored. Under a new rule, broad drive other cars coverage may be provided one named partner and his spouse without additional charge, where the company insured the owned automobiles, hired automobiles and non-ownership liability of a partnership.

The \$1,000 single limit policy has been dropped. This was introduced about eight years ago as inducement to the sale of automobile liability insurance, but was never very popular. The National Bureau stated that the increasing number of financial responsibility laws, under which this is not acceptable coverage, impaired the usefulness of this contract.

For the first time, jeeps appear in the automobile manual. It states that they are to be rated under the rules for station wagons.

### Stone Has Strenuous Itinerary

E. C. Stone, U. S. manager of Employers' Liability is on an extensive speaking tour during which he is addressing a number of insurance gatherings on the great question of the hour of public law 15 and its impact on the insurance business. He addressed the insurance group of the Union League Club of Chicago Wednesday, then left to be in Milwaukee for a day. He is addressing the midyear meeting of the Minnesota Association of Insurance Agents Friday, then he goes to Monroe, La., to address the annual meeting of the Louisiana Association of Insurance Agents, April 20. While there he will be the guest of E. J. Seymour of Monroe, president of the Louisiana agents association. His next stop is at Pinehurst, May 4 for the annual meeting of the North Carolina Association of Insurance Agents. His final appearance on this tour will be at Philadelphia, May 7 during Pennsylvania Insurance Days.

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Agents are invited to write for samples of the order blanks developed as part of our program of success through helping agents to succeed.



## Aggressive Plans Are Given N. J. Agents

(CONTINUED FROM PAGE 2)

the automobile agent is operating in violation of the law. The qualifications committee will then call the state's attention to the situation.

L. A. Watson, manager of the New Jersey Fire Insurance Rating Organization, was the principal speaker at the luncheon. Unlike previous meetings, the luncheon was the initial session. Mr. Watson talked informally, discussing public relations and the need for getting across to the public the fact that the insurance business is offering at inflated rates the broadest coverage in its history. He cited several inquiries received by his office as indications that some agents, at least, are doing this.

One of these was from an insured in Atlantic City who wanted rental value insurance on a parking lot, though the lot had no structure on it. Evidently some agent had pointed out the loss that would ensue should a fire cause debris from adjacent buildings to clutter up the lot. Another, also from Atlantic City, was from a man who planned to put a submarine, a landing craft, and a torpedo boat on exhibition. He wanted to know the rate.

"Your guess is as good as mine," Mr. Watson told the gathering.

The principal speaker at the banquet held the evening of the first day was commissioner Carey of New Jersey who called attention to the fact that New

Jersey anticipated the enactment of public law 15 by enacting its own rating law.

Mr. Carey called for the continued cooperation of all agents in the state, especially in regard to a more general program now being drawn up for the legislature to consider to meet the situation arising out of public law 15. He said that this plan is vitally necessary in order that control of insurance be kept within the jurisdiction of the state, and the commissioner called on the association to make a careful and extensive study of the plan and then submit a copy of its findings to the state insurance department to be considered along with all other suggestions offered.

P. B. Sommers, president of American, acted as spokesman for fire and casualty companies domiciled in Newark and extended to the association congratulations upon its accomplishments during the past six months.

### AVIATION

At the aviation insurance forum, Wesley Hammer and R. J. Martin of Associated Aviation Underwriters discussed various aviation coverages.

On regular accident insurance the principal sum is soft pedaled, Mr. Hammer pointed out. The income feature is emphasized. Companies will take up to \$20,000 principal sum and that is about all. That is left pretty much to the life companies. Replacement of earnings is the big feature.

However, in the aviation business the approach is different. The principal sum is the big thing. The aviation markets insist on at least \$1,000 of principal amount. The weekly indemnity and medical reimbursement are added by rider. Weekly indemnity is the least important feature. The chief interest is in the principal sum and then in the medical reimbursement. The markets have no objection to writing \$20,000, \$40,000. Even \$100,000 is not infrequent. It is common to find \$50,000 written, and \$25,000 is quite regular. The agent, therefore, should raise his sights on the size of principal sum he is selling.

### Age Factor

Underwriting aviation passengers is pretty free, but on pilots more care is used. The matter of age becomes a factor, he said. The markets do not like to write 16-year-olds, even though they can fly a plane. They will take occasionally a 17-year-old, but they prefer them at least 18. They begin to tighten up when the pilot reaches 45, holding down amount and writing more carefully. However, there is no actual ceiling, the circumstances in each case governing.

When the agent gets an employer prospect for group aviation accident insurance, after the first interview Mr. Hammer recommended he check with the aviation market so that he can present a definite proposal when he returns.

### Business Increasing

People can now use the airlines, he said. More salesmen will be encouraged to fly. The employer has some moral responsibility to provide aviation accident coverage. The majority of leading concerns are buying group. A list of customers reads like the bluebook. If an agent's clients have any men on the road, then they are prospects for aviation insurance.

Questions at the session dealt mostly with who are prospects for various lines of aviation coverage.

By advertising and hard work, an agent can produce \$40,000 in new premiums annually and earn from \$8,000 to \$10,000 more in commissions, Whitney H. Roddy, local agent at Bloomfield, said in his discussion of agency management problems. There is plenty of business for all, he said.

In 1946 it is estimated that close to

four billion dollars will be spent on advertising new products, new industries and all of them will be bidding for consumer attention. In the war the agent had no competition, Mr. Roddy said. The manufacturer could not deliver the goods, but the agent could. This situation already has changed, and the agent is going to have to compete for the consumer's dollar with increasing intensity.

There is no better way to add \$40,000 or \$50,000 in premiums than to systematically hammer home the need for increased insurance to cover increased values, Mr. Roddy stated.

He outlined a number of ways in which the agency might successfully get new business by advertising and service.

Edward Carroll, special agent of Manufacturers Fire in northern New Jersey, Newark, discussed the personal property floater.

At the Friday luncheon, Roy A. Dufus, Rochester, N. Y., local agent and chairman of the casualty committee of the National association discussed "Building an Agency on a Sound Basis." At the head table past presidents of the New Jersey Association were honored by an introduction. They included Thomas Coker, Paterson; Alan Livingston, Englewood; Theodore Brown, Perth Amboy; Herbert Faunce, Atlantic City; Fred J. Cox, Perth Amboy; Charles E. Meek, Jr., Paterson; Hubert M. Farrow, Red Bank.

## Home Revamps Its Setup in Chicago

(CONTINUED FROM PAGE 3)

Mr. Fischer has been with Home 38 years. He started as a boy in the New York office and then in 1920 was assigned to the Indiana field as special agent. He was promoted to state agent in 1932 and then in 1939 was transferred to Chicago as assistant general manager. He has been the general manager since 1942.

Mr. Hurd is a veteran of 50 years in fire insurance. Mr. Koch has been at it 49 years and Mr. Huncke 48. Mr. Hurd started in 1896 at the home office of Security Fire of Davenport after graduating from high school there. Two years later he went to Chicago in the western department of Germania Fire and then got a taste of loss adjusting with David S. Wagner, a prominent independent adjuster of those days. He left in 1902 to become Illinois special agent for Home and in 1906 was named special agent and adjuster in Cook county. In 1915 he was appointed assistant manager of the Cook county department, in 1930 he became manager and still later he was named general manager and finally resident secretary. He pursued law studies at John Marshall law school and was admitted to the bar in 1927.

Throughout the years he has been an important factor in the Chicago Board, serving as chairman of the fire patrol committee and as a member of the executive committee on several occasions.

A son, Fred Hurd, is manager of the marine department of Cosgrove & Co. at Los Angeles and another son, E. R. Hurd, Jr., is advertising manager of American Automobile.

### Koch Germania Veteran

Mr. Koch started in 1897 in the western department of Germania and he advanced until he became assistant western manager in 1914. In 1920 he was named Cook county manager of National Liberty, which was Germania re-christened, and stayed on in that position after National Liberty was acquired by Home.

He is the owner of a large farm at Libertyville, Ill., and he intends to make that his year round residence.

Mr. Huncke's entire 47 years have been in the Cook county department of National Liberty. That department was started by his father, Carl Huncke, in 1884. Otmar Huncke started there in 1898 and for many years has been assistant Cook county manager.

## Join War on Auto Dealer Licensing

(CONTINUED FROM PAGE 2)

C. Flanagan, Chicago, vice-president Lumbermen Mutual Casualty, spoke on "The Future of Mutual Insurance." Mr. Huntington discussed "Coming Developments in the Fire Field" and L. M. Dunathan, Shelby, assistant secretary, Shelby Mutual Casualty, spoke on "Future Developments in Casualty Insurance." Mr. Dunathan's talk was reported in THE NATIONAL UNDERWRITER of last week and Mr. Flanagan's discussion is reported elsewhere in this issue.

C. G. Wise, Akron attorney, made a hit with his humorous dinner talk. The banquet included an intensive entertainment program.

### Thursday Program

Despite the fact that banquet festivities ran late into the night, there was an excellent turnout at the Thursday morning session, which featured three speakers. W. H. Rodda, Chicago, secretary Mutual Aircraft Conference, discussed aircraft insurance from the view of the agent, J. C. O'Connor, Chicago, editor "Fire, Casualty Surety Bulletin" and associate editor of THE NATIONAL UNDERWRITER, spoke on multiple line underwriting and W. E. Swigart, Huntingdon, Pa., president National Association of Mutual Insurance Agents, discussed advertising. Each talk was followed by a forum discussion.

Mr. Swigart punctuated his talk with charts and exhibits of methods used in his own agency, which is an outstandingly successful office. Advertising, he said, can increase agency production 25%. It will not sell for the agent, but it will ring door bells for him, tell people who he is, cut down sales resistance, improve public relations and tell people that the agent is established and reliable. He said no one has yet been able to devise a "jackpot" plan for building up an insurance agency. An agent gets his business customer by customer, but, conversely, this relatively slow process is what gives an agency its value and ties it closely to people. He warned his audience that an agent's best clients are his competitor's best prospects and urged them to get out of the "office habit," which all acquired during war years, when they were too busy with details to get out and sell.

### Multiple Coverages Here

Mr. O'Connor reviewed the development of insurance company charters in the United States, as contrasted with multiple line underwriting in England and other countries, and explained the present status of the recommendations of the Diemand committee. He said that in his opinion it should not make much difference to an agent what happens in the way of legal amendments to company charters. No matter what name it is called, or what legal process is used, multiple line underwriting is here and there is every indication that it will grow. No agent can afford to specialize in any one field of insurance and the old time "pigeonholes" of underwriting have already been demolished, with almost every branch of coverage competing or overlapping with other phases.

P. F. Baldwin, Washington, secretary National Association of Mutual Insurance Agents, discussed the work of the all-industry committee on recommended legislation at the Thursday luncheon. He praised the cooperation of all interests and said that at no time in the history of the insurance business had representatives of competing segments worked so well together for the common good. He urged the members to attend the mid-year meeting of the National association at Edgewater Park, Miss., May 27-29, and also announced that the annual meeting will be held Oct. 14-16 in New York.

## WANT ADS

### WANTED

Experienced Surety production man. Preferably one familiar with Burglary Insurance to assist in the development of these classes.

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P. O. Box 1259 Galveston, Texas

### POSITION WANTED

With company in State of Wisconsin. Have 20 years of experience as Branch Manager in underwriting, Agency and Field Work. Thoroughly familiar with casualty and general fire lines. Large agency following. Address F-71, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### SAFETY ENGINEER WANTED

Middlewest casualty company wants experienced casualty company safety engineer with engineering degree, for inspections and servicing large industrial plants in midwest and eastern states. State full details as to education and experience, salary desired, portrait. Address F-61, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### SPECIAL AGENTS OPPORTUNITY

A well financed Indemnity Company, affiliated with a large fire group offers attractive positions to young men to develop the Casualty and Surety business in INDIANA and NEBRASKA. Experience necessary as well as administrative ability. All information treated confidentially. Write, giving full particulars to Box F-70, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### SPECIAL AGENT AVAILABLE

Eight years experience in casualty field. Excellent production record. Good following in Illinois and Iowa. Address F-69, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

Compensation and Liability Underwriter by progressive supervising Agency in Chicago. Permanent position with excellent opportunities. Replies confidential. Write F-64, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.



# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Discuss Iowa Convention Plans, Membership Drive

**CEDAR RAPIDS**—Plans for the annual meeting and an extensive membership drive were discussed at an executive committee meeting here of the Iowa Association of Insurance Agents.

It was agreed that the best time for the convention would be in September, just before the National association meeting at Denver and at one of the larger cities in the central portion of the state. President Howard Burleson was authorized to investigate and report to the committee.

The meeting was called primarily to outline plans for the membership campaign which has already been launched and probably will run through June.

A prospect list of 300 Iowa local agents has been compiled and each will receive a series of direct-mail letters outlining the advantages of state and National association membership. Immediately following the mail campaign, it is planned to hold a meeting in each of the 12 districts of the state, with a representative of the National association in attendance.

The executive committee agreed that there is immediate need for two items of legislation—an automobile financial responsibility law and adoption of the New York standard fire policy. The legislative committee of the association, headed by Fred Olmsted of Des Moines, was instructed to investigate the financial responsibility laws of surrounding states with a view of having such legislation introduced in the 1947 legislature.

### Discuss Group at Cincinnati

**CINCINNATI**—The general insurance agent is in an excellent position to pick up desirable group life and accident and health business through his contacts with key men in various businesses. Owen E. Wright, manager group life and pension department W. T. Craig agency of Aetna Life, told the Cincinnati Fire Underwriters Association.

He said the general insurance agent should have been the person to place this business on the books instead of the life agent. Since all major group writing companies maintain service offices, it requires little time and effort to develop sales. All that is needed is that the agent talk about coverage and if the prospect is interested, call in a group representative to give the employer technical information.

Group permanent is the latest development in the group life line, but only the stable organization is a prospect, Mr. Wright declared. Briefly sketching the reasons for an employer buying group insurance, he asserted that it is a part of the structure of modern business and is generally accepted as such.

Seventy-five percent of persons covered by group own less than \$1,000 personal insurance, he said. If a company pays commissions as long as the contract is in force, the agent is expected to do servicing. Otherwise, the company assumes the burden of servicing after the agent has made the initial contacts.

### Vote to Expand Elyria Line

The board of education at Elyria, O., has voted to purchase \$125,000 more fire insurance on school buildings from local agents who hold the smallest amount of school building insurance. With the additional insurance Elyria school buildings will have \$1,631,000 coverage.

### Hold Insurance Course at University of Wisconsin

Arrangements have been completed and reservations are now being accepted for the four weeks short course on insurance at the University of Wisconsin at Madison, June 10-July 6, which will be conducted especially for returned servicemen. Walter C. Rhodes, Madison, chairman of its education committee, is representing the Wisconsin Association of Insurance Agents in arranging for the course. E. A. Gaumnitz, insurance professor in the school of commerce of the university, has arranged for living quarters at a low rate. Tuition for the course will be \$35. Veterans may be reimbursed by the Veterans Administration under the G.I. educational plan. The faculty will include members of the university staff and experienced insurance men who are recognized specialists in various fire and casualty subjects.

The Wisconsin association also is sponsoring an insurance seminar at the university the week of Aug. 11. Prof. Gaumnitz has arranged for a dormitory at the university to accommodate the local agents and their employees who desire to take the course. The fee of \$30 includes tuition, room and board for the week.

### Zone Meeting at Emporia, Kan.

The Zone 3 educational meeting at Emporia, Kan., was attended by nearly 50 agents under the direction of Urban Brown, past president of the Kansas Association of Insurance Agents, zone chairman, and George Erickson, New Hampshire state agent, Topeka. Agents from six counties were in attendance and voted to hold another meeting before summer.

A round table discussion of the 1943 standard policy was led by Erwin Keller, Hussey Insurance Agency, Topeka, vice-president of the Kansas association, which sponsored the meeting in cooperation with the Kansas Fire Underwriters Association. Assisting were Marshall Randel, Randel agency, Emporia; Paul C. Foster, resident adjuster Western Adjustment, Emporia, and C. E. Bleckley, Northern Assurance state agent, Topeka. Byron R. Ward, Glens Falls, Topeka, led a discussion on the personal property floater.

### Two-County Meet in Winfield

The Cowley-Sumner County Agents Association held its second postwar monthly meeting in Winfield, Kan., featuring a review of revised uniform forms. Kenneth Ross, secretary of the Arkansas City Insurance Board, was in charge of arrangements. Assisting in the discussion were M. W. Whitelaw, Western Adjustment manager, Wichita; George L. Hampton, Phoenix of Hartford; C. J. Wintrol, Royal-Liverpool, and W. E. Stewart, North British, all of Wichita. The May meeting will be held in Wellington.

### Discuss New Kan. Procedure

The Hutchinson (Kan.) Association of Insurance Agents devoting its April meeting to a discussion of the new procedure in Kansas to send daily reports to the Kansas Inspection Bureau starting May 1 for the purpose of coding under the standard classification of occupancy hazards of the National Board. B. J. Weldon of the Dulaney, Johnston & Priest agency, Wichita, was a guest.

### Gregory to Speak in K. C.

B. G. Gregory, manager of the Insurance Board of St. Louis and executive

secretary of the Missouri Association of Insurance Agents, will speak on "The St. Louis Plan" in conjunction with the showing of the Aetna Casualty's "Bank and Agent Auto Plan" film at a meeting of the Insurance Agents Association of Kansas City at 3 p. m. April 19. The time of the meeting has been arranged so that agents and bankers of Kansas City, Mo., Kansas City, Kan., and Independence, Mo., can participate.

### Educational Rally in Wichita

About 125 agents and office assistants attended an educational meeting at Wichita, with the Wichita Association of Insurance Agents as hosts. C. J. Wintrol, Royal-Liverpool, was chairman of the panel which reviewed the new 1943 standard fire policy, assisted by M. W. Whitelaw, manager of Western Adjustment, and W. E. Stewart, North British state agent.

### Hemphill Partner in Agency

Ivan N. Hemphill, special agent for the Hussey & Hussey general agency of Topeka for 10 years, has become a partner in the agency. All March production of the agency's Kansas agents was complimentary to Mr. Hemphill, being presented to him at an office party. Mr. Hemphill is Kansas district chairman of the National Fire Waste Council.

### Boyer Manager at Alton, Ill.

The Lynch Adjustment Company of Springfield, Ill., insurance adjusters, has opened a new office in 701 First National Bank building, Alton, Ill., with Harry L. Boyer as manager. He recently was discharged from the navy and formerly was manager of the Decatur, Ill., office for several years.

### Give Cincinnati Fire Speakers

**CINCINNATI**—Speakers at the Cincinnati Fire Underwriters Association educational meeting for solicitors April 24 are J. J. Conway, manager Western Adjustment; George Maggini, Perkins & Geoghegan; and A. M. O'Connell, Eureka-Security agency.

### Roerink Watertown Speaker

**WATERTOWN, WIS.**—G. W. Roerink, supervisor fire underwriting department of Northwestern National, Milwaukee, discussed "Increased Building Costs and Underinsurance" at the dinner meeting here of the Jefferson County Association of Insurance Agents.

### Ladies' Night at Mishawaka

Ladies' night was celebrated at the April meeting of the South Bend-Mishawaka Association of Insurance Agents at Mishawaka, Ind., this week.

### Hold A. & H. Course in St. Louis

The Insurance Board of St. Louis will start the N.A.I.A. accident and health course April 22.

### NEWS BRIEFS

Arthur R. Leach, son of Harry J. Leach, Morris, Ill., local agent, is working as a solicitor in his father's office, recently having been discharged from the navy. He was a fighter pilot in Adm. Halsey's third fleet and Mitchner's 58th task force. The agency has been in business 36 years.

D. S. Triplett, now on terminal leave from the army, has reopened his agency at Ames, Ia. He was in the insurance business there 1931 to 1942, when he entered service.

Don Reed of the Paul C. Yankey agency, Wichita, a son-in-law of Mr. Yankey, has been discharged from the marines and returned to Wichita after

more than two years in the south Pacific.

George M. Clarkson, manager of the insurance department of the McCann Realty Co., Des Moines, has been appointed general agent there of National Life Co. of Des Moines.

Harry A. Smith, partner in the Hoke & Smith agency, Kansas City, Kan., has returned from the army with the rank of major and has rejoined the agency.

The K. C. Jones Club, employees' organization of K. C. Fire & Marine and R. B. Jones & Sons, Kansas City, will hold its spring picnic May 3.

Edythe Rydeen has been elected president of the Insurance Women of Minneapolis. Florence Durand is vice-president; Frances Turek and Vera Strait, secretaries; Stella Wallman, treasurer. "Flower Arrangements" were discussed at the April meeting by Edward Peterson, florist.

The Insurance Women's Association of Kansas City at its monthly dinner meeting Monday, April 15 heard Miss Ethylene Jackson of the William Rockhill Nelson gallery of art talk on "Gallery Activities."

Kenneth J. Hill and Mrs. Wilma C. Heftli have opened an agency at Des Moines. Mr. Hill previously was with Central Life for 15 years.

L. R. Brown and Ross McNeece have organized the Brown & McNeece agency at Junction City, Kan.

C. R. Woods, who represents National Life & Accident at Lawrence, Kan., has opened a general insurance agency.

The A. W. Wiggins Agency, Eureka, Kan., has been taken over by Grace Bradford, formerly with the W. H. Hart agency, following the death of Mr. Wiggins at the age of 84.

Arch L. Claabugh, a local agent at New Hampton, Mo., for 43 years, has retired and has sold his agency to Sherman D. Quye.

Cora E. Fligg, Independence, Mo., has sold her agency to Mr. and Mrs. Russell C. Pickering.

Merritt H. Smith has become an active partner in the Durrett Insurance Agency, Lee's Summit, Mo., with E. H. Durrett.

American Fire of Galveston has been licensed in Iowa.

John E. Thompson has taken over the agency of his father, the late J. F. Thompson, at Bremen, O.

## EAST

### To License Auto Dealers Under Maine Decision

Automobile dealers in Maine may be licensed to sell insurance under a decision handed down by superior court Justice Earle L. Russell directing Deputy Insurance Commissioner Whitten to license Donald W. MacLeod, Bar Harbor automobile dealer, who sought a license for Motors Insurance Corp., a subsidiary of General Motors.

The case is a test case arising from the attempt of 63 General Motors automobile dealers in Maine to sell fire, theft and comprehensive and collision insurance for Motors.

In his decision, Justice Russell stated "MacLeod cannot be refused a license to sell insurance because he also is in the automobile business anymore than can the applicant who also practices law, teaches school or is in the real estate business."

### Humphreys Returns to Huntington

Raymond V. Humphreys, president of Associated Underwriters, Huntington general agency, has returned after four years in the army and established new offices at 207 Biern building. Mr. Humphreys was discharged as a major.

### Damon Back with Pa. Lumbermen's

R. E. Damon has returned to Pennsylvania Lumbermen's Mutual Fire as special agent in western New York and western Pennsylvania, with headquarters at Erie. He spent three years in

the army as a staff sergeant. Prior to entering the service, Mr. Damon traveled in New York state for the company, working out of the home office at Philadelphia.

#### NEWS BRIEFS

The Wheeling (W. Va.) Association of Insurance Women held its annual "bosses night" dinner meeting, with a talk by A. V. Wood, manager News Publishing Co., an attorney, and a one-act skit entitled "The Writem and Dropem Insur-

ance Agency," the cast being insurance people.

At the April meeting of the Insurance Women of Buffalo Miss Mary Louise Nice presented a book review. Miss Helen Kennedy, president, and Mrs. Pauline Donnelly will attend the regional meeting April 27-28 in Atlantic City.

"Guest night dinner" with E. R. Vadeboncoeur, radio news commentator, as principal speaker, will feature the April 29 meeting of the Insurance Women of Rochester, N. Y. Mrs. Sidney C. Adsit is general chairman and Miss Grace E. Keenan is co-chairman.

## PACIFIC COAST AND MOUNTAIN

### King County, Wash., Agents Hear Talk on Building Cost

SEATTLE—A. M. Young, Seattle architect and engineer of the firm of Young & Richardson, spoke on "Building Costs and Cost Trends" at a luncheon meeting of the King County Insurance Association. He estimated that building costs in the Puget Sound area are about 65% above the 1935-1939 level and said they would continue to rise at the rate of 4% a month for some time.

The program was given over to the underinsurance campaign of the National Board. The local association contemplates running the national advertisements, one a month, in the Seattle daily newspapers.

An amendment to the by-laws was adopted which provides that on audit or instalment policies the agent taking over the line collects the audit or instalment premiums and retains the commission thereon; and conversely he bears any returns commission due on audit.

### U. S. C. Seeks to Qualify to Teach Brokers

LOS ANGELES—University of Southern California has asked that it be approved by Commissioner Garrison as an accredited educational institution for persons desiring to become brokers. The insurance code requires that all applicants, unless they have had insurance experience, graduate from a school empowered to grant degrees.

Dr. Don Skoles, head of U. S. C.'s insurance department, will have charge of the classes. The addition of another educational institution has been made necessary by the fact that all classes now being conducted have capacity enrollment and there is a long waiting list.

### Herbert Named Cal. Deputy

John Herbert, who has just returned to the California department after army service, has been appointed a deputy commissioner, and assigned to take charge of the San Diego office. During his three years in the army he was in charge of the counter-intelligence unit in Panama.

### Cal. Mutuals to Hear Luckham

Donald Luckham, administrative assistant of the Los Angeles office of the California department, will address the annual meeting of the California Association of Mutual Fire Insurance Companies at Fresno April 29.

#### WILL PURCHASE AGENCY

in Los Angeles area. Must produce an annual fire and casualty premium income of at least \$100,000. In position to pay cash.

Inquiries treated confidentially. Address F-66, The National Underwriter, 175 W. Jackson Blvd., Chicago, Illinois.

### State of Washington Agents Leaders Meet in Yakima

A joint dinner meeting of local board presidents and the executive committee of the Washington Association of Insurance Agents was held at Yakima with F. W. Norgard, executive chairman, presiding. Agents from various points in the Yakima Valley also attended. The Aetna Casualty firm, "The Bank and Agent Auto Plan in Action," was shown.

President A. W. White of the state association reviewed activities. H. H. Martin, vice-president, Longview, reported membership had passed the 400 mark, highest in history. C. F. Carroll, Spokane, chairman contact committee, outlined topics discussed with the Washington Advisory Committee in San Francisco.

Upon invitation of J. R. Thomas, president Pierce County association, the executive committee voted to hold the state association's 1946 annual meeting in Tacoma at a date to be fixed later.

### McFarland Addresses Clubs

The Insurance Forum of Los Angeles heard a talk on comprehensive liability by Marshall McFarland, special representative of Pacific Employers. He discussed clauses that would improve coverage, with emphasis on care, custody and control, as well as contractual agreements. Robert White, president Insurance Association of Los Angeles, gave a current events report, discussing the new state law relative to non-occupational medical reimbursement. The May meeting will deal with C. P. C. U. examinations to be held in June.

Mr. McFarland also addressed the Long Beach Insurance Association on accident insurance, discussing "Private Insurance Carriers vs. State Benefits." He discussed in particular the new law passed at the special session of the legislature.

### Loyalty Group Coast Conference

SAN FRANCISCO—About 75 field men and members of the Pacific department staff of the Loyalty group attended a five-day business meeting in San Francisco. The companies were hosts to the group and a number of returned veterans at a cocktail party, followed by a dinner to honor the veterans' return to the organization.

The meetings were conducted by Vice-president Fred W. Sullivan and W. W. Potter. H. H. Cobb, veteran central California field man in charge of the Oakland office, was toastmaster at the banquet. These meetings are again to be made annual events.

### Collins to G. & R. Coast Office

Walter P. Collins has arrived in San Francisco from the New York office of Globe & Rutgers to become associated with the Pacific department office there. He was a local agent in New York state for several years before joining Globe & Rutgers last year.

### Portland Lumber Mill Loss

The Inman-Poulsen Lumber Co., Portland, Ore., suffered a substantial fire loss when the entire resaw unit of the mill was destroyed. Buildings and equipment insurance was carried in 58 stock companies, totalling \$858,000 with

an estimated loss of \$100,000. Stock insurance of \$60,000 involves seven stock companies and an estimated loss of \$6,000. Business interruption coverage of \$325,000 is carried in 25 stock companies with a probable minor amount of loss. W. J. Moe of the Fire Companies Adjustment Bureau is adjusting the loss.

### Resume Oakland Golf Tourney

The Oakland Association of Insurance Agents is resuming its annual golf tournament, which always attracts a large number of field men, agents, company men, managers and general agents, on May 24.

### Start P. L. 15 Study in Cal.

SAN FRANCISCO—The joint interim legislative committee appointed at the 1945 session of the California legislature to study new insurance legislation that may be required under public law 15 started meetings here Monday. The committee has a number of proposals before it and in recent months the Insurance Brokers Exchange of California

has prepared legislative proposals which the committee will explore and hold hearings to determine their value or necessity.

Commissioner M. Garrison was the only "witness" at the first meeting on Monday. He discussed the entire situation from the S.E.U.A. decision to date, explaining efforts being made and many of the problems of complex nature involved. He said it appears that the situation will be clarified only after years of legislation.

The committee adjourned until after the commissioners' convention in Portland.

The H. C. Pownall agency, Portland, Ore., has changed to a partnership known as Pownall, Taylor & Hays. H. C. Pownall is the senior partner, and associated with him are V. R. Taylor, who has been with the agency since 1940, and Harold S. Hays, former Loyalty group special agent in Oregon.

American has moved its Rocky Mountain department to the Security Life building, 810-14th street, Denver.

## IN THE SOUTHERN STATES

### Arkansas Agents Council Considers Qualifications, Plans for Convention

LITTLE ROCK—A qualification bill to be submitted to the Arkansas legislature next year was the principal subject at the annual meeting of the Arkansas Association of Insurance Agents advisory council. The council is composed of officers and executive committee of the Arkansas association and presidents of local boards. C. S. McNew, Jr., Pine Bluff, executive chairman, presided.

The new bill incorporates most of the provisions which were in the association's 1945 bill that was prepared but never introduced. The new draft is expected to be presented to members in final form at the annual convention in Hot Springs May 17-18.

Council members were critical of the so-called "model" qualification bill of the National association which, with few modifications formed the 1945 bill. It was charged the 1945 proposal had been sabotaged by certain company interests despite the fact that the NAIA qualification outline was supposed to have the endorsement of both fire and casualty company organizations.

### Stone, Van Vechten to Speak

Plans were completed for the convention. A. W. Porter, association manager, announced that E. C. Stone, U. S. manager Employers group, would deliver one of the main addresses. J. F. Van Vechten, executive committeeman National association, will speak on agency management problems.

At the Saturday morning session, there will be two agency management round tables, one for agencies with large premium volume, the other for medium-sized and small agencies. Discussion leaders for the former will be R. R. Brown, United Insurance Agency, El Dorado; C. S. McNew, Jr., Pine Bluff, and Leon Wertz, Fort Smith, and L. R. Martin, Pocatongas, former association manager, will be moderator of the latter group.

The annual dinner of the Arkansas chapter of the Purple Duck, the association's past presidents' club, will be held the evening of May 16.

### Push Alabama Membership

Nineteen new members have been enrolled this year by the Alabama Association of Insurance Agents, and plans to push the total to more than 300 will be discussed by the membership committee at a meeting in Montgomery April 18 prior to the midyear meeting that will be held there the next day. W. H. Murphee of Troy is committee chairman.

### Alabama Hail-Wind Loss Estimated Over \$1 Million

Total damage exceeding \$1 million, it is estimated, was done by the hail and windstorm that swept Alabama April 7-8. Fifty or more adjusters have been busy on these losses for a week. In Anniston alone the losses still to be paid are expected to aggregate \$500,000. Anniston took the hardest punch of any locality, the hail reaching phenomenal proportions in amount of precipitation and size of stones.

Adjusters and field men from over the south hurried to Anniston and to points north and south from that city. Many claims are being settled at Gadsden, Huntsville, Roanoke and Guntersville.

Among those first to establish adjustment service on the ground at Anniston was J. L. Wilkey, Inc., Birmingham. Mr. Wilkey, assisted by Mrs. Wilkey and Robert McClure of the staff, disposed of 150 claims in the first week, having charge of the Gadsden district. Fire Companies Adjustment Bureau also set up an office in Anniston, and was systematizing the procedure with the expectation that it would handle several hundred claims.

### Program Is Complete for Virginia Agents Meeting

Another speaker secured for the annual convention of the Virginia Association of Insurance Agents at Virginia Beach June 6-8 is Harry K. Schaffler, assistant manager National Board, and his topic is "Underinsurance a Great Opportunity." The program now is complete.

Hunter Brown, national president, who recently accepted an invitation to address the convention, will have "Security" for his topic. E. C. Stone, U. S. manager Employers group, will discuss the effects of public law 15 on the insurance business. O. Roy Carlson, manager automobile department American, will outline opportunities presented by the bank and agent auto plan.

The past presidents' dinner will be held the evening of June 6 and business sessions begin the next morning. There will be a golf tournament the afternoon of the first day.

### Opens Miami Branch Office

MIAMI—Thomas M. McElveen Co. adjusters has opened a new branch here at 1311 Congress building. The organization has 20 years' experience and maintains offices at Charleston, Florence and Sumter, S. C. Other offices will be opened in Florida, Georgia and South Carolina cities.

Mr. McElveen was with Travelers

April 18, 1946

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a number of years at Charlotte, N. C. After three years with Glens Falls in Seibels, Bruce & Co., Columbia, S.C., he went into the independent field at Charleston.

#### Goodwin Retires from Bureau

L. P. Goodwin, joint manager of the Alabama Inspection & Rating Bureau, has retired and C. A. Harris, associate of Mr. Goodwin, has taken over full management of the bureau.

Mr. Goodwin joined the S.E.U.A. staff in 1903 as a stamping clerk in the Richmond, Va., office. When the Alabama bureau was organized in 1912 he was appointed manager and served in that capacity for more than a third of a century, his total service aggregating 43 years.

#### To Study N. O. City Insurance

NEW ORLEANS—Lionel Ott, finance commissioner-elect, who takes office in May, has promised that the question of fire insurance on city property will have his attention. The city recently renewed policies for \$12,600,000, placing the business through an advisory committee of insurance men. Counsel for one agency contended that the city would save money if bids were asked. Mr. Ott says he will study the question.

#### Form Alabama Trade Council

The Alabama Council of Trade Executives has been formed, composed of full time secretaries or other perennial

directing officers of trade associations on the state level. Millard R. McGruder, manager Alabama Association of Insurance Agents, Birmingham, drafted the constitution. The purpose is to defend free enterprise from encroachments of bureaucracy and to take unified action in emergencies. D. T. Jones, vice-president Associated Industries of Alabama, is chairman.

#### Atlanta General Agency Change

The title of the Atlanta general agency of Ford, Lawson & Mahone has been changed to Ford, Lawson & Co. The partnership is composed of H. Benson Ford and Clyde W. Lawson.

#### Refund by Prevention Board

NEW ORLEANS—The New Orleans Fire Prevention Board has turned back to the city's general fund \$8,000 remaining from its first year's budget of \$30,000. Chairman Maurice J. Hartson made the announcement at a meeting of the Louisiana Blue Goose, which organization he represents on the board. Mr. Hartson commended the work of General Manager Roger Monrose and members of his staff.

Merrill M. Rose has been appointed office manager of the Westbrook Insurance Agency, Charlotte, N. C.

Lt. John H. Mullin, Jr., after 21 months in the navy, has returned to the Dickey-Mangham Co. agency of Atlanta, of which he is secretary.

## IN THE CANADIAN FIELD

### Finlayson Reports on 1945 Results

OTTAWA—Net fire premiums written in Canada last year were \$58,344,380 against \$55,027,051 in 1944 and losses incurred \$30,560,127 against \$28,921,930. Superintendent Finlayson reported on the basis of incomplete figures. Canadian companies had \$13,687,402 net premiums against \$13,276,969, and losses \$6,283,955, compared to \$5,989,557 in 1944; British companies had premiums \$20,492,921 against \$19,282,044 and losses \$11,094,888 against \$9,854,786; foreign companies, premiums \$24,164,057 compared with \$22,468,038 and losses \$13,226,282 against \$13,077,587. The 1945 loss ratio was 52.35% against 52.58 the previous year and compared to the 1941-45 average of 46.78.

#### Hail Experience Improved

Hail insurance improved markedly with net premiums written for all Canada \$2,938,856 compared to \$3,502,109 in 1944; losses \$916,023, against \$3,143,471 in the previous year. The 1945 loss ratio was 31.17 against 89.76 in 1944. The bulk of the business was handled by foreign companies, which accounted for net premiums \$2,768,971 against \$3,322,309 in the previous year and losses \$873,613 against \$2,970,166 in 1944—loss ratio 31.55, whereas it was 89.40 in 1944. The loss ratio on automobile insurance increased from 48.85% to 51.24. Auto premiums aggregated \$24,139,168 compared with \$20,563,416 for 1944, and losses incurred advanced to \$12,369,707 from \$10,045,145.

#### Manitoba Hail Committee Elects

WINNIPEG—At the annual meeting of the Manitoba hail note committee, G. W. Reed of Osler, Hammond & Nanton was elected chairman and W. J. F. Reith of Enderton, Brydges & Waugh, vice-president.

#### Blair London's Assistant Manager

Lawrence W. Blair has been appointed assistant manager for Canada of London Assurance. He has been fire manager since 1929. He started with Royal and in 1926 went with National Union in Pittsburgh as manager of the

brokerage and survey departments. He joined London in 1929.

#### Saskatchewan Amendments Lose

REGINA—The clause in the Saskatchewan government's insurance act which would make insurance with the government insurance office a condition for those institutions receiving provincial grants was the cause of bitter debate in the house. However, all attempts to secure amendments were defeated.

#### New Saskatchewan General Agents

Legal & General has appointed H. J. Quinn Co., Ltd., as Saskatchewan general agents for fire business. Butler, Byers Brothers, Ltd., Saskatoon, have been appointed Saskatchewan general agents for Delaware Underwriters.

## MOTOR

### N. Y. Auto Claims Group Names T. J. Hunter President

NEW YORK—At the April meeting of the Automobile Claims Association T. J. Hunter, North British & Mercantile was elected president; L. J. McCrory, Automobile Underwriters, vice-president; L. A. Lloyd, Pacific Fire, secretary, and M. W. Lemberg, Fireman's Fund, treasurer.

The association voted approval of the practice of the New York City police traffic department of patrolling for violators in unmarked cars.

The association will hold its annual dinner April 26.

#### R. C. Walker to Cleveland

In reporting that R. C. Walker, who has been state agent of Royal-Liverpool in Indiana, has been promoted to assistant regional manager for Ohio, with headquarters at Cleveland, in last week's edition, his initials were incorrectly given. He has been with the Indiana state agent since 1939.

## MARINE INSURANCE NEWS

### Dull Year Is in Store for Great Lakes Traffic

Now that the lake navigation season is getting under way marine underwriters are resigned to a dull year, at least in comparison with the war period.

Last year was the biggest year on record for grain movement on the lakes but 1946 seems to have little in store. There is very little Canadian grain to move at this time and if there is any activity in that direction it will not come about until October, after the new crop is harvested. U. S. grain at this time is an uncertain quantity.

Coal and ore movement also, it is expected, will fall far below the war time record. There is a substantial carry over of iron ore and the steel and coal strikes have slowed up activity and demand.

The full lake fleet will not be put into commission this year. The operators will use the bigger and more modern boats that are more economical to operate.

The maritime commission during the war built 21 lake freighters and turned them over to regular operators. Maritime took over old ships as part payment with the understanding that these would eventually be scrapped.

The insurance rates for coal and iron are expected to be released momentarily. Navigation this year started extremely early. As a matter of fact, it was the earliest opening of the Soo locks in history. Two Canadian boats came through in March to Lake Erie to pick up coal for the Algoma Steel Co. at the Soo.

Last season was an extraordinary good year on the lakes for the underwriters. There have been no losses so far this season.

### Space-Value Ratio Makes Jap Silk Cargoes Big Risk

NEW YORK—Although comparatively little silk from Japan has arrived in this country so far, marine underwriters are apprehensive of the potential risk involved because of the high ratio of value to shipment size.

Between 130,000 and 140,000 bales of silk are scheduled to reach the United States in the near future. The value of each shipment approximates \$7 million and marine insurance men frankly state that they don't like to have that value cargo shipped on a single vessel.

Silk, as well as most other commodities, is covered by war risk insurance at the rate of about 25 cents per \$100.

### Indemnity of N. A. Prepares to Write P.P.F. in New York

NEW YORK—An independent filing with the New York department has been made by Indemnity of North American listing rules, forms and rates for the personal property floater. The filing is the same as that made by the Inland Marine Insurance Bureau. The New York law was amended during the recent legislature session to permit casualty companies to write the P.P.F. after June 30.

#### Los Angeles Marine Men Elect

LOS ANGELES—The Marine Underwriters Association of Southern California has elected these officers: President, Ellis L. Benson, Automobile; vice-president, Hamilton Thatcher, Jr., Marine Office of America; secretary-treasurer, John H. Lyden, Providence Washington.

#### Foster Joins Atlantic Mutual

Cyril F. Foster has joined Atlantic Mutual of New York in charge of in-

land marine in the Chicago branch. For the past six years, Mr. Foster has been superintendent of inland marine for Fire Association in Chicago. He started with Pearl Assurance in London in 1924 and in 1935 was transferred to Chicago for that company.

### Stone Urges Laws for Adequate Rates

(CONTINUED FROM PAGE 10)

commissioner required to act within a certain fixed time, is not much different practically from prior approval and not much more desirable. Obviously, he said, if the insurance commissioner is alert and intelligent, no company or group of companies will file rates without informally discussing the matter with the commissioner and being reasonably certain that the rates will not be disapproved.

About the only advantage to the subsequent disapproval principle, Mr. Stone said, is that it might protect insurance companies against public investigations and scandals. Otherwise, there does not seem to be any real argument against a bill which would require neither prior approval nor subsequent disapproval within a certain time, but would simply require filing and give the commissioner authority to investigate any rates, either independent or bureau. Since bureau companies, operating in concert, can come under the penalties of the Sherman act, they may feel safer under a law which gives the commissioner a stipulated time to examine their rates. Otherwise, there is the possibility of an investigation going back over a period of years on some rate matter on which the commissioner had not taken any action.

Pointing out that the courts have repeatedly held that acquisition cost naturally enters into the cost of insurance to the public and hence is a matter of investigation and regulation under the police power of the state, Mr. Stone said that every agent, broker and producer should realize that commissions are going to be regulated under subsequent disapproval laws. If producers wish to retain commissions as a matter of private contracts between themselves and their companies, it is foolish for them to advocate either prior approval or subsequent disapproval laws. He cited as an example the commission reductions in Massachusetts under the compulsory automobile liability law.

#### Compensation Example

Mr. Stone also pointed out that in a number of states there are now workmen's compensation rate laws which amount in effect to prior approval laws. In practice, these laws eventually require that all companies initially charge the same approved rates, thus putting the stock non-participating carrier into a straitjacket, while the participating carrier starts off with a gross rate, with no regulation as to dividend. This he called decidedly unfair competition.

Mr. Stone also said that there have been very few constructive suggestions so far about interstate risks, with locations in a variety of states, both as to fire and as to casualty coverages. Obviously, neither prior approval nor subsequent disapproval laws will make for smooth handling of these risks, whereas, he maintained, the type of legislation he suggested would be a far more effective way of handling "this most interesting and vexing problem."

#### Add London Guar. N. J. Figures

Credit premiums and losses for London Guarantee in New Jersey, which were omitted in the New Jersey table, are: Premiums \$18,596 and losses -\$1.

## Dineen Recites N. Y. Accounting Goal

(CONTINUED FROM PAGE 2)

holder should be satisfied that he is not being asked to shoulder excessive costs which should be allocated to larger risks. Where the small policyholder is not carrying his just share of the expenses, this law should furnish the foundation upon which adequate cost accounting studies can be made. It should furnish justification for the wider use of expense constants. No policyholder can have any legitimate objection to the use of an expense constant if there is adequate statistical justification therefor, Mr. Dineen said.

The enactment of this law should be helpful to producers, he said. Should any prospective buyer of insurance demur at the cost, the producer will be able to say to him that not only has the rate quoted been approved by the superintendent of insurance but that the state has prescribed uniform classifications of accounts so that the customer can be certain that every penny in the insurance dollar has been accounted for.

Having in mind the congressional mandate against unfair price discriminations found in the federal trade commission act and the Robinson-Patman act, it is Mr. Dineen's hope that the operation of this new law will furnish superior

statistical data capable of demonstrating that wherever price differentials exist they can be justified. This is another illustration of how the business and the states can show that their operations measure up to federal standards even though they are conducted under state laws.

Mr. Dineen expressed the hope that the classifications of accounts ultimately developed will be so practical, workable and useful that Congress will be convinced that the performance of the states in this field measures up to the congressional policy established in the interstate commerce act and the federal power act.

### Helps Public Relations

It is a regrettable fact, he said, that many people today are laboring under the idea that their insurance costs are excessive and that the companies are either making an inordinate profit or are building up unnecessary reserves and surpluses instead of returning adequate dividends to their policyholders. In years back many people entertained somewhat similar ideas about utility companies.

Today, however, people are beginning to understand the important role played by the various public service commissions in seeing to it that gas bills, electric bills, and the charges of other utilities are reasonable. Many leaders in the utility business believe this has tended to diminish the demand for gov-

ernmental control. Utility executives have supported uniform accounting statutes because they result in improved public relations.

"To me it seems logical that the same sense of public consciousness as to the reasonableness of utility rates can be achieved for the insurance business," Mr. Dineen said. "People know that insurance has done an outstanding job in maintaining solvency and in furnishing protection. If we can convince them that the business is doing just as good a job in establishing rates which are fair and equitable, it will be a real step toward expanding and developing the confidence of the American public."

## ICC A PATTERN

Since many of the members of Insurance Accountants Association will be working in conjunction with the department in its fact-finding studies and ultimately in the preparation of the rules and regulations to be prescribed, Mr. Dineen recommended that they examine the rules and regulations prescribed by the interstate commerce commission and the New York state public service commission in connection with the regulation of various utilities, since the form of the regulations and their general setup may well serve as a basis for profitable study in determining the manner and form of the regulations to be prescribed by the department.

Mr. Dineen emphasized that development of uniform classifications of accounts by no means implies that every company must conform its operations to a standardized mould. The New York department will resolutely resist any tendency to use this new law to throttle initiative and enterprise in the insurance business he declared.

### Will Have Sizable Staff

The New York department will have to maintain a sizable staff of accountants and junior accountants while the preliminary studies are being made. Once a satisfactory plan has been devised and placed in operation the size of the personnel can gradually be reduced. However, since the insurance business is by no means static, it is inevitable that modifications and additions will have to be made in the plan from time to time.

The department contemplates the creation of a bureau within the department, composed of civil service personnel, to deal with problems as they come up and to administer this new law. Furthermore, high standards will be set for those entrusted with this task so that the business may have every confidence that those with whom it deals on behalf of this state will be competent and qualified.

## Give Details for Hemispheric Rally

(CONTINUED FROM PAGE 1)

Each group will be under the co-chairmanship of a United States executive and a visiting executive. The U. S. executives in charge of the group discussions are:

Laurence F. Lee, president Peninsular Life and Occidental Life of Raleigh, life.

Charles E. Hodges, president American Mutual Liability, casualty.

Donald C. Bowersock, president Boston and Old Colony, marine.

Chase M. Smith, secretary National Retailers Mutual, fire.

Reed M. Chambers, president U. S. Aviation Underwriters, aviation.

The conference will conclude at noon, May 16, following two major addresses and a review of the accomplishments of the discussion groups the preceding day.

The evening of May 15 will be held the annual banquet of the insurance membership of the U. S. Chamber of Commerce in the Waldorf-Astoria. Toastmaster will be William D. Winter,

chairman of Atlantic Mutual. Mr. Diamond will outline the procedure and accomplishments of the Hemispheric Insurance Conference during its first two days.

Assisting Mr. Randall on the host committee are:

Honorary chairman, James S. Kemper, chairman of Lumbermens Mutual Casualty; committee members, S. Bruce Black, Liberty Mutual; Bernard M. Culver, America Fore; Mr. Diemand; A. F. Lafrentz, American Surety; Leroy A. Lincoln, Metropolitan Life; W. Ross McCain, Aetna Fire; Harold V. Smith, Home; John M. Thomas, National Union Fire; Mr. Winter.

## Western Department Business Up 30%

(CONTINUED FROM PAGE 3)

This can be explained partially by the fact that manufacturers and merchants who previously did no export business are now finding markets all over the world. Then, too, mid-western manufacturers and insurance agents are awakening to the fact that marine insurance can be written through offices in inland cities. This awakening has weaned large amounts of marine business away from forwarders on the coasts and into the hands of local agents and the western departments.

### Foresee Small Craft Increase

Although totals reflect little of it so far, officials at Chicago feel that their departments are on the brink of a great upsurge in marine business on yachts and small pleasure craft. It is expected that such boats will soon be turned out along the automobile pattern of mass production. Cover of such craft on the Great Lakes and other mid-western waters expected to reflect upon the totals at Chicago.

The increase in inland marine matches the general increase percentage, but this was expected as commerce was resumed on its pre-war level.

The increase in automobile is similarly large, though a certain percentage of it can be attributed to increased rates. A number of car owners who never before carried automobile cover are channeling their excess money into this line. Because of the almost unbelievably bad experience in automobile most officials expressed the opinion that the less kind of this business is written the better off the companies will be, at least until rates go up. Notwithstanding, the western departments are chalking up substantial increases in these lines and new business is expected to soar as soon as automobile production gets into gear.

In Chicago, as elsewhere, executives are far from convinced that the inflationary character of the first quarter boom is healthy. However, they feel that in such a period many who have never before been acquainted with the value of insurance are taking on cover and will form insurance habits which will carry over into more normal years.

## Harrington Seeks to Change Blanks Report Procedure

Commissioner Harrington of Massachusetts has notified members of the National Association of Insurance Commissioners that he will offer an amendment to the association's by-laws at the Portland meeting in June changing the method by which reports to the committee on blanks are accepted by the association.

Under existing by-laws, the committee on blanks submits its report with recommendations to the executive committee and any action on the part of the executive committee relative to such reports is binding upon the association as a whole. Under the proposed amendment, the executive committee would be required to refer the report with such recommendations as it deemed necessary to the association for action.

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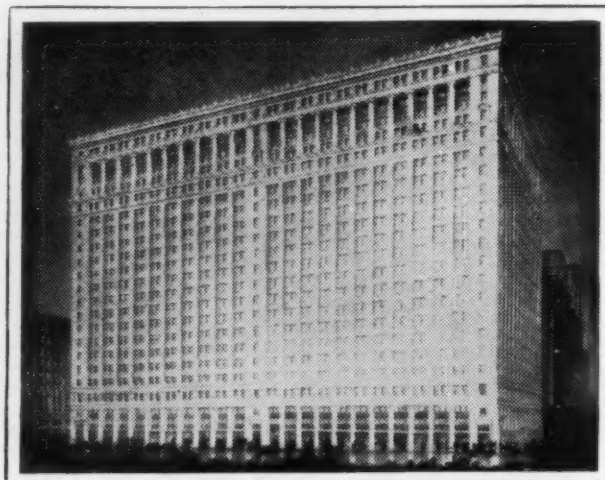
The answer to *full* protection still lies with the fire insurance company—working to promote precautionary action . . . contributing to the development of new fire-fighting methods, and—when the last ounce of preventive effort has been spent—ready to pay the bill, in full, when the damage is done.

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